

UNCTAD
Research Project

Women's Entrepreneurship and Innovation

Country Report
SWEDEN

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A. INTRODUCTION

1. Executive summary

This report on **Women's Entrepreneurship and Innovation** is part of a research project carried out by the United Nations Conference on Trade and Development (UNCTAD). The project focuses on the motivations and goals of innovative men and women owning a SME. The research project involves field work in six countries: Sweden, Switzerland, United States, Brazil, Jordan and Uganda. In each country 50 owner-managed businesses (25 woman-owned firms and 25 man-owned firms) were asked to answer a questionnaire. After processing the data, ten persons (5 women and 5 men) were selected and interviewed. After completion of the interviews, five woman-owned companies were selected to be presented as case studies.

The driving force for female entrepreneurs was **passion** or being **feed-up** with their present job situation. Men who responded to the questionnaire and then were interviewed were more focused on the aim of the business and on making money.

A **broader definition of the word "innovation"** was used by the entrepreneurs who took part in the survey. The female entrepreneurs were more focused on **introducing or developing new products or services** whereas men were more focused on new **technologies or processes**.

The entrepreneur's background both in academia, previous work and financial background influence the path the entrepreneur chose in terms of innovative level of the company as well as the growth rate and risks. Women who were in the life phase of having children said that they had to grow more slowly than male entrepreneurs to be able to **cope with the "life puzzle"**.

Important issues for entrepreneurs were to find and to keep qualified employees.

Growing organically from what the company actually earns and not by bringing in investors or by funding from public support system was not always a realistic option, especially if the product or service demanded an investment in physical objects and if women did not have their own capital to invest.

Networking is important and it is something that male entrepreneurs want to learn more about from women.

Women entrepreneurs taking part in this study were ahead of men in usage of ICT tools, services and devices (laptops, web sites, social networks and information feedback systems).

The overall conclusion is that despite the financial and other challenges, female entrepreneurs hardly have any negative experience from being a woman entrepreneur. On the contrary, they express that they have been favoured with positive attention.

Policy recommendations include:

- There is a need to show what the world innovation means in a broader sense; women especially are not aware of the broader definition and the importance of market and organizational innovation.
- Information on the background needed to become an entrepreneur with a business at a high innovative level should be presented to young school pupils.

- Research about innovation levels is needed as well as the effect of innovation for different industries.
- The financial support at an early stage of the innovation process needs to be reviewed and improved.
- Social security systems for entrepreneurs in Sweden, particularly micro companies (with less than 5 employees), needs to be improved.
- The support “sector” in the form of networks for entrepreneurs and SMEs need to be reviewed to avoid overlap and to make different networks available for the user.

In retrospect one of the interviewed persons in this study said “the most important thing is to dare.” So that is the final policy recommendation!

2. Commissioned team

The commissioned team in Sweden was headed by Barbro Fransson, managing director at Power Lake AB. The survey questionnaires were translated into Swedish before the questionnaires were distributed. For translation and collecting surveys, Ms Lilian Rosenberg, LR Marketing, was responsible.

After the study started the Swedish Agency for Economic and Regional Growth assigned Power Lake AB/Barbro Fransson to carry out a complementary study. This work will start when the UNCTAD study is completed.

3. Fieldwork

Fieldwork started in August 2010 with collection of samples for the study. The original sample contained more than 900 women entrepreneurs from all types of industries, and a list of companies owned by men was arranged. From these two raw lists a selection was made of 225 entrepreneurs.

After translation into Swedish, on October 10, 2010 the first survey was distributed. For most questionnaires a unique identification was given meaning that all e-mails had to be distributed one-by-one. By October 24, 2010 a reminder was e-mailed to those who had not opted out or already replied and number of entrepreneurs were phoned.

At the end of October it was assessed that the sample had too few companies in field of “sustainable development” (energy, environment, etc.) so more enterprises were collected. It was also discovered that the companies working in the field of nanotechnology and in the biomedical sector that matched the criteria (i.e., companies that have been in business for at least three years), had already been sold to venture capitalists or pension funds so they were not considered independent. Those business areas were therefore not collected.

On November 25, 2010 the questionnaire period was closed, and the first selection of entrepreneurs for interviews was made. The Annual reports from this group were collected from the Swedish Companies Registration Office and background data about them (turnover, number of employees etc.) was checked. The list for (5 men+5 women) interviews was reviewed and telephone appointments for interviews were made. Interviews were carried out

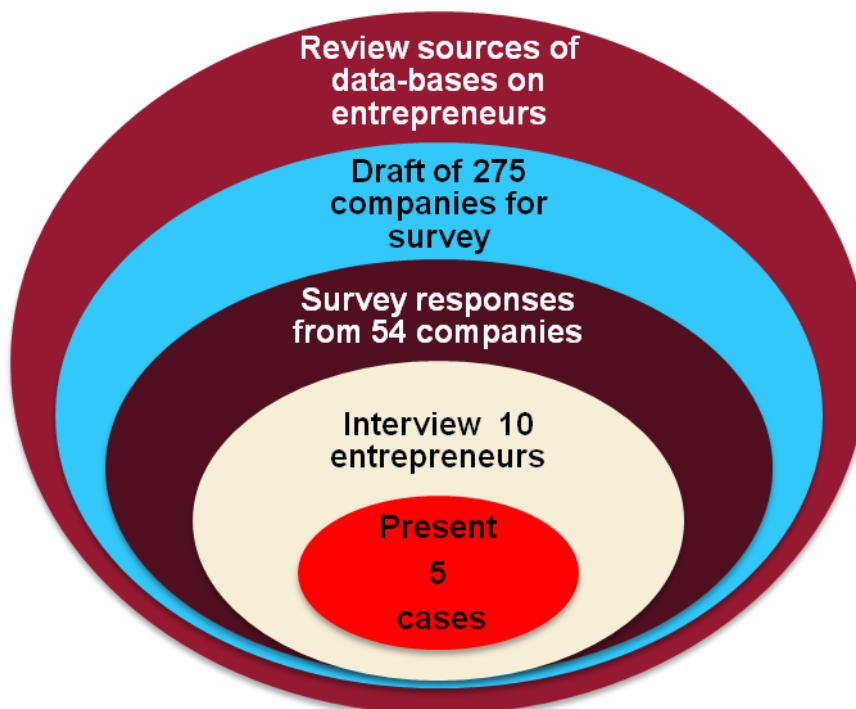
during the last week in November. All but 3 interviews were made by telephone. Parallel with interviews, the five cases were prepared and written. The five cases were e-mailed to the entrepreneur in question for approval.

The country report was drafted parallel to work with the five cases and was finished on 6 December 2010.

4. Business samples

4.1 Overall sampling

The Swedish business samples/respondents were selected in five steps:



- i. In the first step, 10 lists were established from which to draw samples. These lists contained different types of companies in different parts of Sweden. Some lists contained companies with both male and female owners, while other lists contained only female entrepreneurs. Lists with entrepreneurs with both male and female were:
 - Promise: A business network for ICT companies working with **eLearning** in Sweden (<http://www.promise.se>)
 - eHandel, a business network with ICT companies working with **eTrade** in Sweden (<http://www.ehandel.se>)
 - The Chamber of Commerce; companies listed in the **County of Västerbotten** and in the **County of Stockholm**. Only companies that were “innovative” were selected, i.e., craftsmen, builders, hairdressers, shops, etc., were excluded.
 - The County Board of Administration of **Östergötland** had a list of female entrepreneurs on their public website
 - The Swedish Agency for Economic and Regional Growth (Tillväxtverket) database of **Women ambassadors** for the program "Promoting women's entrepreneurship". The database that is published contains 20-40 women entrepreneurs per county (overall 21 counties in Sweden) and more in the three

big cities of Stockholm, Göteborg and Malmö. From the Ambassador web site women entrepreneurs were selected from innovative business lines. In practice professionals (doctors, dentists, etc., trade and consultants) were excluded. Women Ambassadors website: <http://www.ambassadorer.se/search>

- **Beautiful Business Award** is a network for women entrepreneurs that is organised by www.driftig.nu and PwC (auditors). Beautiful Business Award network nominates 10 women every year as female role models. Entrepreneurs from the last 3 years were reviewed and companies were selected.
 - **Kista Science City AB** (industrial centre in Stockholm), where a couple of male entrepreneurs were selected from their public website.
 - **Municipal registers for industries in rural areas** containing mostly male entrepreneurs were reviewed and companies were selected.
 - **Private lists** containing entrepreneurs that PLAB and LR Marketing have collaborated with.
- II. From the data bases 275 entrepreneurs were selected. These companies have their business in different parts of Sweden and in different business lines (NACE). An e-mail was sent with a link to the www.surveymonkey.com questionnaire.
- III. A total of 58 companies answered the questionnaire, but later one opted out. After failure analysis of the remaining 57 questionnaires, 3 were not approved, so the total number of responses was 54 (25% male and 29% female).
- IV. Out of this group ten entrepreneurs (5 + 5) were selected for interview.
- V. When the female entrepreneurs were interviewed they were also asked to contribute to the case study. Based on the questionnaires and the interviews the case studies were written.

4.2 Background information about the respondents

Analysis of the 54 entrepreneurs' responses was at first done via filtering from gender aspects (male – female). After downloading data, charts were created on issues that were considered interesting, i.e., where there was a deviation between male and female charts. This information is presented separately in an annex (Annex 1).

The 54 selected entrepreneurs who answered the questionnaire come from different parts of Sweden; about half of them live in large cities and 7-8% lives in rural areas. The 54 respondents work in different economic sectors (NACE), most of them working in J. Information and Communication (21% male and 19% female). Other sectors that many respondents came from was C. Manufacturing (13% male and 19% female), M. Professional scientific and technical activities (17% male), D. Electricity, gas, steam, and air conditioning supply (17% male), I. Accommodation and food service activities (19% female), G. Wholesale and retail trade, including repair of motor vehicles and motorcycles (8% male and 4% female). NACE that also was represented was Q. Human health and social work activities, S. Other service activities, A. Agriculture, forestry and fishing, F. Construction, P. Education, and N. Administrative support service activities.

Men and women entrepreneurs who completed the questionnaires are of similar age with one exception: two male entrepreneurs who have reached what is retirement age in Sweden. In the youngest age group (under 25 years of age), one woman but no male entrepreneur was represented.

Most of the respondents are native born¹ (68% men and 69% women). Among the females quite a large number of entrepreneurs are first generation (4% male and 17% female) or second generation (28% male and 10% female) Swedes.

Most of the women entrepreneurs had been in business for short time (3-4 years), whereas 40% of the male group had their companies for more than 15 years. Both men and women had similar experience before they became entrepreneurs with one exception - more women seem to go from middle management to becoming entrepreneurs (4% male and 25% female). In both groups nine companies are owned 100% and the rest of the entrepreneurs have shares varying from 3% upwards.

Larger companies (turnover and employees) are owned by men. However two large companies (with more than 10 million dollars in turnover) are owned by women entrepreneurs. This was not foreseen when they were selected, and their turnover in 2009 was reviewed and after that they had exceptionally positive development.

Both male and female entrepreneurs work all over the world.

4.3 Background information about the interviewed

The interviewed entrepreneurs come from following background (NACE and location).

5 Male		
NACE	What the entrepreneur does	Location
J. Information and communication	ICT development - software programming	Large city
J. Information and communication	CMS and eTrade platform development	Large city
F. Construction	Architecture development	Large city
D. Electricity, gas, steam, and air conditioning supply	Development of CHP and district heating plants	Area surrounding a large city
G. Wholesale and retail trade	Develop and sell sanitation product and equipment	Large city
5 Female		
NACE	What the entrepreneur does	Location
J. Information and communication	ICT development and implementation (CMS, WEB2, Social network), training and coaching	Large city
C. Manufacturing	Food industry - bake and distribute bread	In a smaller town or village
I. Accommodation and food service activities	Home service - prepare readymade baskets of food that are sold and transported to customers	Large city
I. Accommodation and food service activities	Arrange wilderness tours on horseback	Rural area
E. Water supply; sewerage, waste management and remediation activities	Develop, produce and sell water cleaning units	Large city

¹ Native born with neither one nor both parents born in a foreign country.

5. Terms used

Case study	
CHP	Combined Heat and Power is a plant that produces electricity and uses the spill water for district heating or in production
CMS	Content Management Systems
eTrade	Electronic Trade is used in banking, sales of goods and similar activities
eLearning	eLearning requires an online course that can be used in blended learning situations or as online course offering the course and the exam online.
Interview	Interviews (oral questions answered by a participant in the investigation) on telephone or in meeting.
NACE	Nomenclature generale des Activites economiques dans les Communautés europeennes (NACE) refers to the industrial classification. NACE defines the line of the company or organization. NACE codes are used by both Eurostat and OECD.
Observation	Observation (organized surveillance)
Questionnaire	Written questions with fixed or open answers. Distributed and answered by participants on line or in a hand- out.
Qualitative study	In qualitative research the aim is to determine in-dept relationship. Technique used are interviews, observations, and field notes.
Quantitative study	In quantitative research the aim is to determine the relationship between one thing (an independent variable) and another (a dependent or outcome variable). Quantitative research designs are either descriptive (subjects usually measured once) or experimental (subjects measured before and after a treatment). In quantitative research questionnaires are at times used.
SME ²	<p>Thresholds:</p> <ol style="list-style-type: none"> 1. The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million. 2. Within the SME category, a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million. 3. Within the SME category, a microenterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.
Social Network	Term is used for Web 2.0 applications such as blogs, video sharing sites, Twitter and Facebook.
WEB2	The term Web 2.0 is used for web applications which facilitate interactive information sharing, interoperability, user-centred design on the internet. Example of Web 2.0 applications are social-networking sites, blogs, wikis, video sharing sites, web applications, etc.

² European Commission Recommendation 2003/361/EC published in the *Official Journal of the European Union* L 124, p. 36 of 20 May 2003.

B. SURVEY BACKGROUND

1. ENTREPRENEURSHIP AND INNOVATION IN SWEDEN

Entrepreneurship and innovation has been in focus in Swedish public life for a long time.

Measures that have been taken are:

- forceful restructuring of the national budget
- broad investments in education and research
- an offensive competition and trade policy
- a modern family policy

Work with growth issues emanates from a concern that growth is the key to preserving and improving the welfare state. The short-term challenges are to put more people into jobs and to increase the number of hours worked. In long-term, promoting increased productivity is the challenge.

An investigation in 2004 "Innovative Sweden - A strategy for growth through renewal"³ put the focus on need to strengthen existing SMEs innovative capacity. Efforts that were promoted:

- Strengthen strategic collaboration between enterprises
- Strengthen cooperation between company networks, higher education institutions and research institutes
- Develop support for product development and design
- Develop production technologies and production systems
- Encourage small and medium-sized enterprises to invest in R&D
- Promote the capacity of small and medium-sized enterprises to operate internationally

Since 2007 there has been an increased concern for women's role in growth policy. The Swedish Agency for Economic and Regional Growth describes what has happened:

*"Women's entrepreneurship has gone from being a "non-issue" in the beginning of the 1990s to a top position on the political agenda, both in Sweden and in the European Union. Focus on and the interest in women's entrepreneurship has also increased in the media and various organizations."*⁴

Statistical studies on entrepreneurship and innovation⁵ show that:

- About 25% of Swedish entrepreneurs are women
- More than 30% of the start-ups are owned by women
- Most firms are locally based – firms managed by women even more so
- Both men and women want their businesses to grow

³ Ministry of Industry and Education "Innovative Sweden A strategy for growth through renewal," Ds 2004:36, ISBN 91-38-22184-5/ISSN 0284-6012

<http://www.sweden.gov.se/content/1/c6/03/24/62/29e722a9.pdf>

⁴ Tillväxtverket "Women's entrepreneurship in Sweden", <http://publikationer.tillvaxtverket.se/>

⁵ Women's and men's enterprise in Sweden - Facts and statistics 2009

Publikationsnummer: Info 0058 ISBN: 978-91-86341-06-0

<http://publikationer.tillvaxtverket.se/ProductView.aspx?id=1279>

Statistical basis for county diagram - Annex to Women's and men's enterprise in Sweden

<http://publikationer.tillvaxtverket.se/ProductView.aspx?id=1279>

The Swedish Agency for Economic and Regional Growth (Tillväxtverket) runs three programs initiated by the government regarding women's entrepreneurship:

- The government's ambassadors for women's entrepreneurship
- Promoting women's entrepreneurship
- The national programme for developing resource centres for women

In this study we have used the public database on Women Ambassadors for entrepreneurship together with other databases when drafting women entrepreneurs for the questionnaires.

Gender statistics are based on studies made by Tillväxtverket's predecessor Nutek's survey "*The Situation and Conditions of Enterprises 2008*." The questionnaire target a representative sample of Swedish small enterprises with up to 49 employees. Responses were obtained from a little more than 18,000 enterprises.

To get an overall picture, i.e., include also enterprises having 50 or more employees the Sweden's Business Register⁶ can be used. Those registers shows that there are 979,221 enterprises in Sweden. However that figure contains both private companies and publicly owned utilities, economic associations, housing cooperatives and the like. To scale down to private companies, it can be estimated that, number of self employed (Enskild firma) are 552,281 and that limited companies (Aktiebolag) are 292,787.

From the overall picture we learn that:

- 56,4% are self employed and 29,9% are limited companies
- 99,7% of all enterprises are privately owned

Today there are three governmental agencies working with "policy for growth":

- The Swedish Agency for Economic and Regional Growth (Tillväxtverket) works with development of enterprises, growing enterprises and sustainable, competitive business and industry throughout Sweden.
- The Swedish Governmental Agency for Innovation Systems (VINNOVA) works with integrating research and development in technology, transport and working life. VINNOVA has a mission to promote sustainable growth by financing RTD and developing effective innovation systems.
- The Swedish Agency for Growth Policy Analysis (Tillväxtanalys) conducts evaluations, analyses and statistical studies with a broad Swedish and international perspective.

⁶ Tillväxtverket "*Women's and men's enterprise in Sweden 2009*, - Facts and statistics 2009
Publikation: Info 0058 ISBN: 978-91-86341-06-0

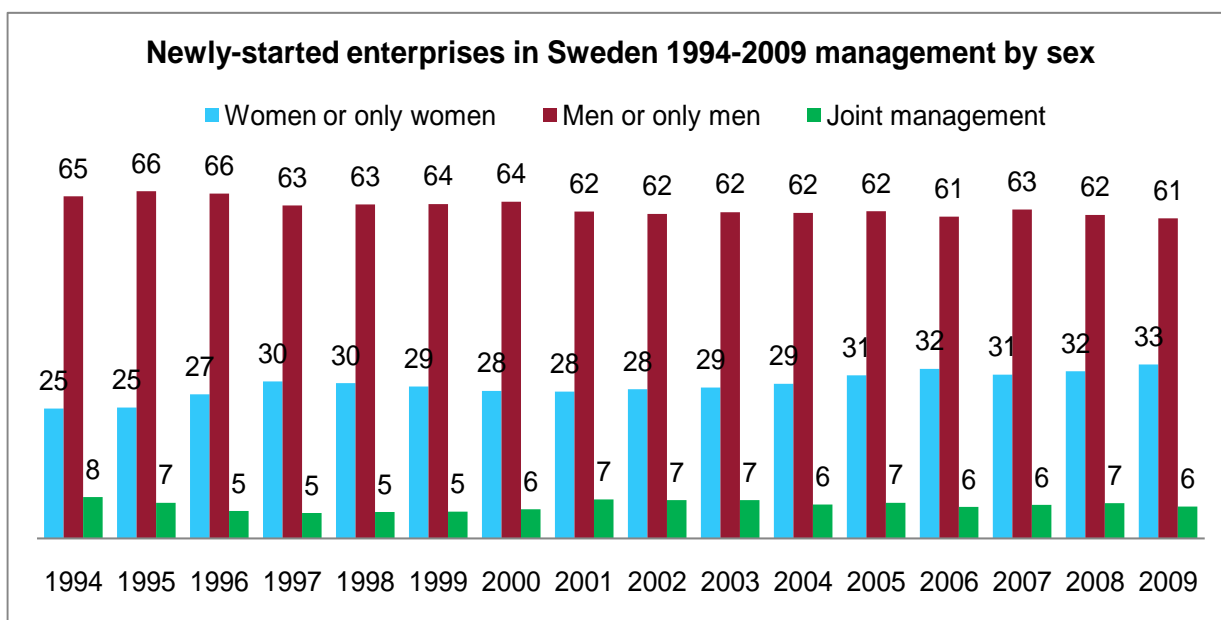
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Statistical basis for county diagram - Annex to Women's and men's enterprise in Sweden

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2. Gender perspective

Most entrepreneurs in Sweden are men⁷. In 2009, 78% of all Swedish SMEs were owned by men and 22% by women. In the last decennium there is a very slight change in that pattern, the number of newly-started enterprises with female management has increased from 25% in 1994 to 33% 2009. 8% of the SMEs had joint female-male management 1994 and 6% 2009.



This trend does not seem too encouraging considering government's target that 40% of newly started enterprises shall be managed by women.

From the same survey we learn that gender-based choices of labor market apply to enterprises. The majority of Swedish companies operate in the service sector; however men as entrepreneurs dominate in manufacturing, construction, transport and communication, whereas women dominate in cleaning, recreation and other services, medical and health-care and education.

A recent study (SCB, 2011)⁸ in Sweden shows that in spring 2010, 91% of all individuals aged 16–74 years had access to the internet at home; 92% of the men and 91% of the women (enterprise owners as well as other occupations). Regular users of internet, i.e., of those who used the internet daily or at least once a week during the last three months, were 78% men and 73% women (of the entire population). For entrepreneurs in Sweden this figure is much higher; 90% of all male enterprise owners and 95% of all women owners use the internet regularly (daily or at least once a week during the last three months).

Enterprise owners are also those who to large extent have registered a domain name on the internet (46% men and 30% women). And a surprising figure is that among 16-74 years old, who during the first quarter of 2010 used the internet for posting messages to chat sites, blogs or used

⁷ Tillväxtverket "Women's and men's enterprise in Sweden 2009, - Facts and statistics 2009
Publikation: Info 0058 ISBN: 978-91-86341-06-0

<http://publikationer.tillvaxtverket.se/ProductView.aspx?id=1279>

Statistical basis for county diagram - Annex to women's and men's enterprise in Sweden

<http://publikationer.tillvaxtverket.se/ProductView.aspx?id=1279>

⁸ Statistics Sweden (2011) Use of computers and the Internet by private persons in 2010, URN:NBN:SE:SCB-2011-IT01BR1101_pdf

instant messaging for private purposes, 36% were men and 40% women. This figure was for "private purposes". However the "competences" achieved will most likely be forwarded into professional work when it is relevant.

The SCB study also shows that some activities on the internet differ between men and women in that male internet user more often download programs and have telephone or video conversations and sell goods. Women use internet to search for information about goods. But top priority for both sexes in internet usage is e-mail, search for information about goods or services, and internet banking. The data refer to the entire population of Sweden.

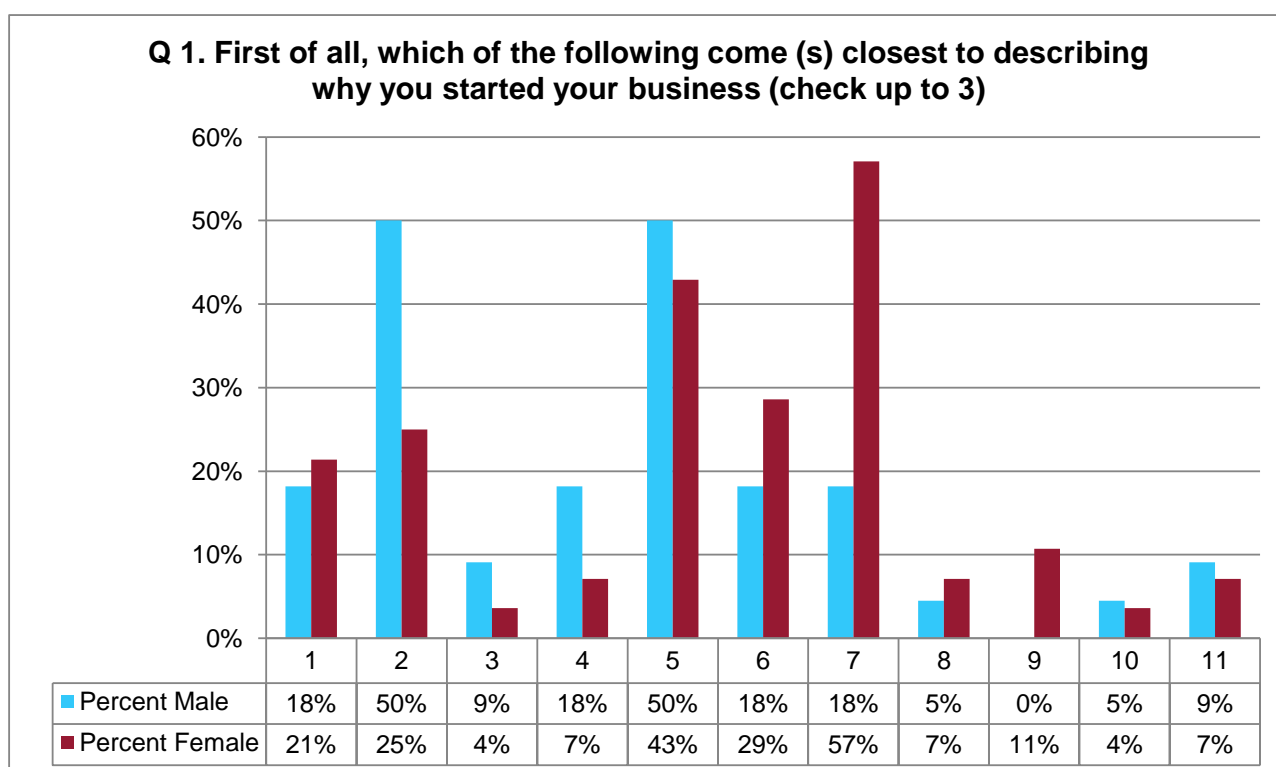
C. SURVEY RESULTS

1. Results on the questionnaire

1.1 Entrepreneurial motivation

Why did you start your business?

Passion seems to be the driving force for women entrepreneurs who took part in this study. Whereas male entrepreneurs (50% M) see a need in the market, women (57% W) emphasize that they fulfil a dream or realize a passion when they start their business. Women also stress that they want to “become more independent/ to do “for myself what I had been doing for others” (29% W). To make money seems to appeal more to male entrepreneurs (18% M) than to women (7% W).

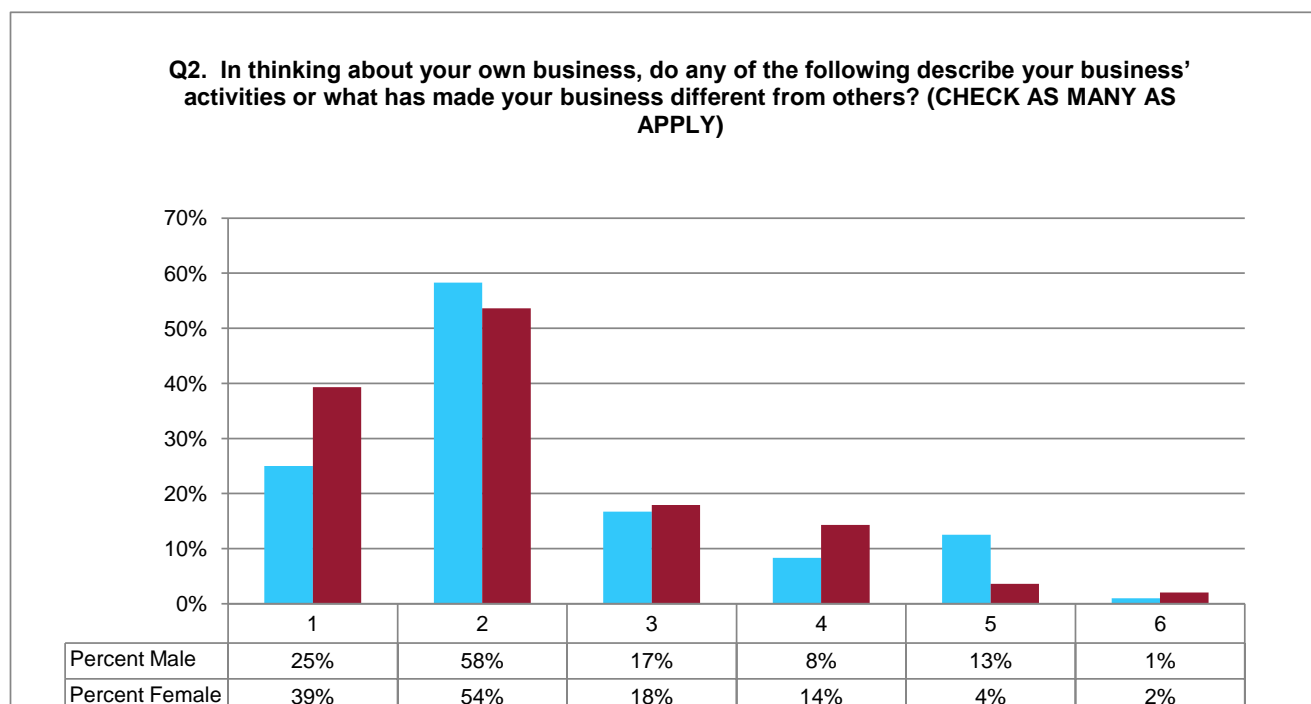


Q 1. First of all, which of the following come(s) closest to describing why you started your business (CHECK UP TO THREE)

- 1 To fill a need I saw in the market for an entirely new product/service
- 2 To fill a need I saw in the market for an improvement in an existing product/service
- 3 Because I identified a very profitable area for business (low wages, cheap inputs, new fashion...)
- 4 To make more money
- 5 To gain greater flexibility, control of my time
- 6 To become more independent/To do for myself what I had been doing for others
- 7 To fulfill a dream, realize a passion
- 8 To supplement the family income
- 9 To be an example for my children or in society
- 10 Because I did not have any other choice/Lost job, laid off/To feed my family
- 11 I inherited the business from another person
- 12 None of these quite describes it; I started my business because (please specify)

Business activities

Female entrepreneurs taking part in the study seem to have started their business with the express purpose of developing and selling an entirely new product or service in the market (39% W). Only 25% of the men had this aim.



Q2. Some businesses are started with the intention of bringing a new or improved product or service to the market. Most others start for a myriad of reasons, but some develop creative ways to manage or market existing products or services. In thinking about your own business, do any of the following describe your business' activities or what has made your business different from others? (CHECK AS MANY AS APPLY)

1. My firm was started with the express purpose of developing and selling an entirely new product or service in my market
2. My firm was started with the express purpose of making a significant improvement to an existing product or service
3. My firm deals with an existing product or service, but markets it in a new or substantially different way
4. While my firm is not innovative in terms of products or services, I've developed new management practices within my company that are innovative
5. I don't think my company is innovative
6. Other (Please specify!)

Specification 6:

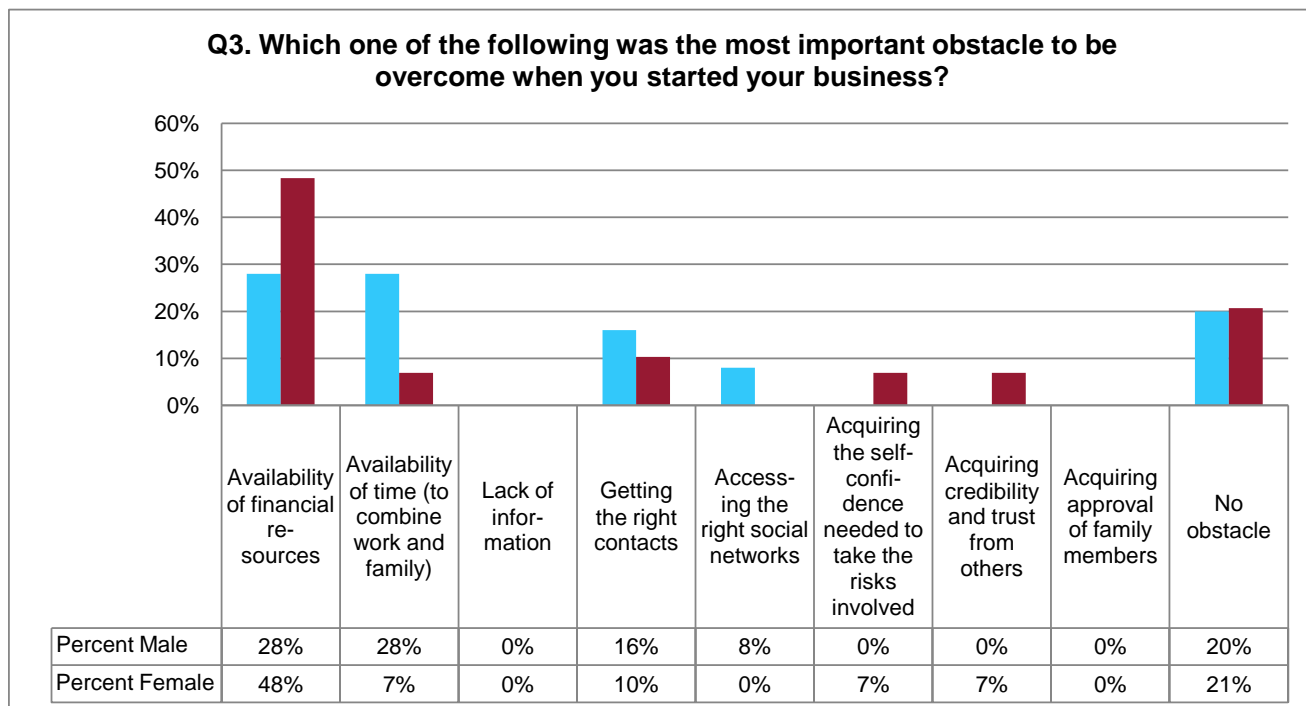
Male: We are good in what we do and creative

Female 1: My idea is innovative and will be launched

Female 2: I make illustrations and design

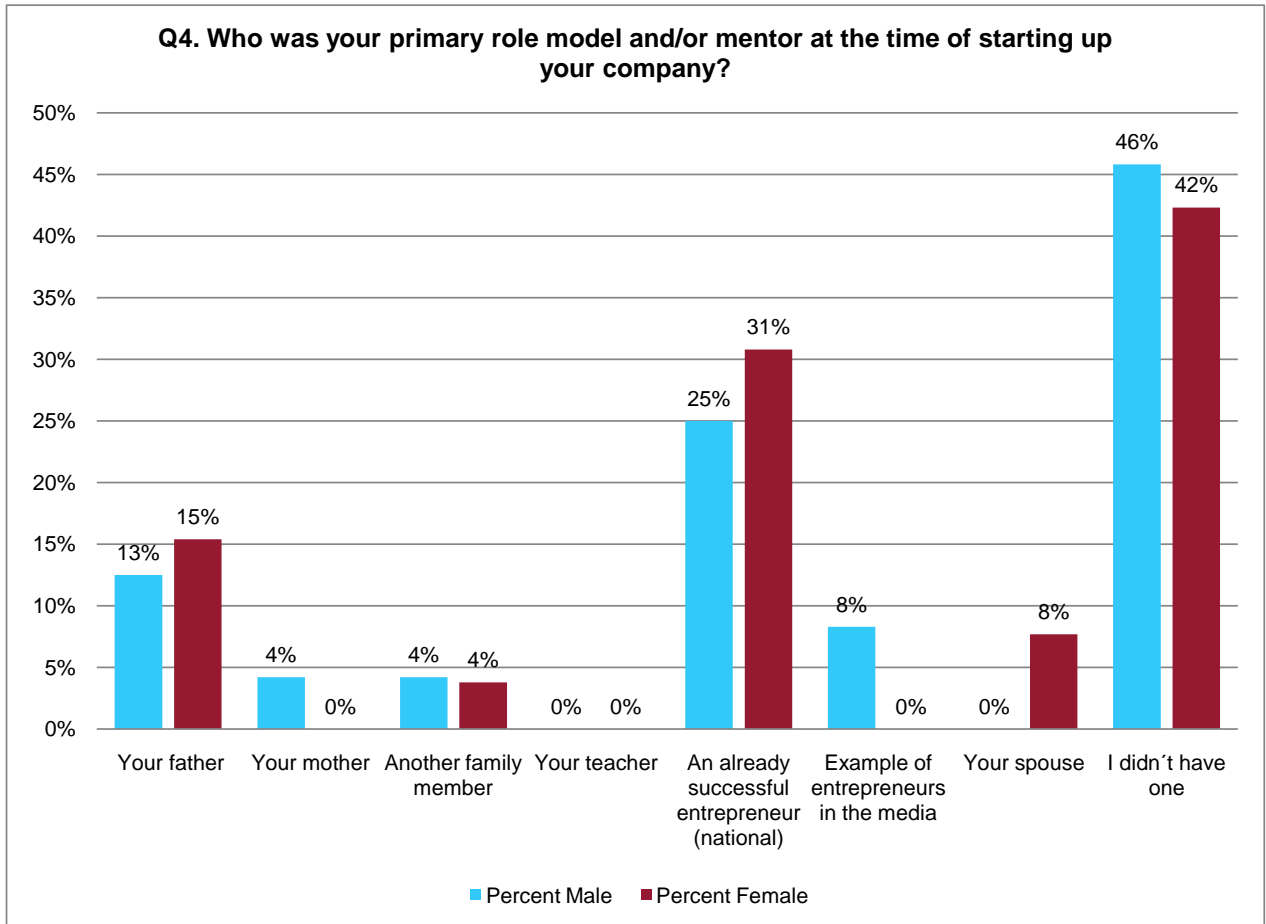
Obstacles

Having access to financial resources is a much larger problem for women entrepreneurs in this study than it is for men (48% W compared to 28% M). Time (to combine work and family), which in debate often is claimed as a reason for women not starting their own business, to larger extent seems to be a problem for men (28% M compared to 7% W).



Role model

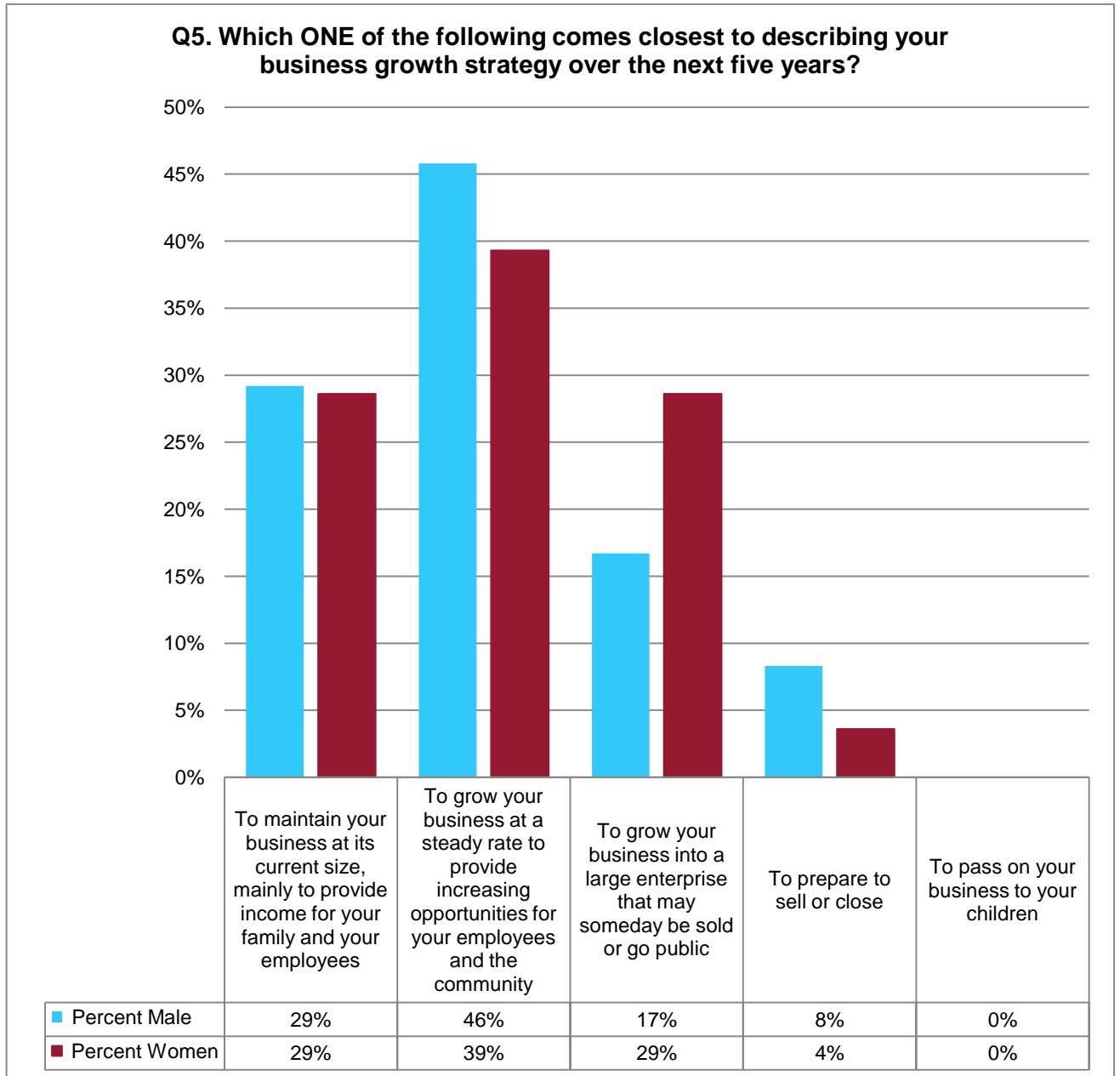
A large number of female as well as male entrepreneurs taking part in this study did not have access to any person they consider as a role model or mentor (46% M and 42% W). And those who had one, state that it was a successful entrepreneur (in their own country) (25% M and 31% W).



1.2 Company growth strategy

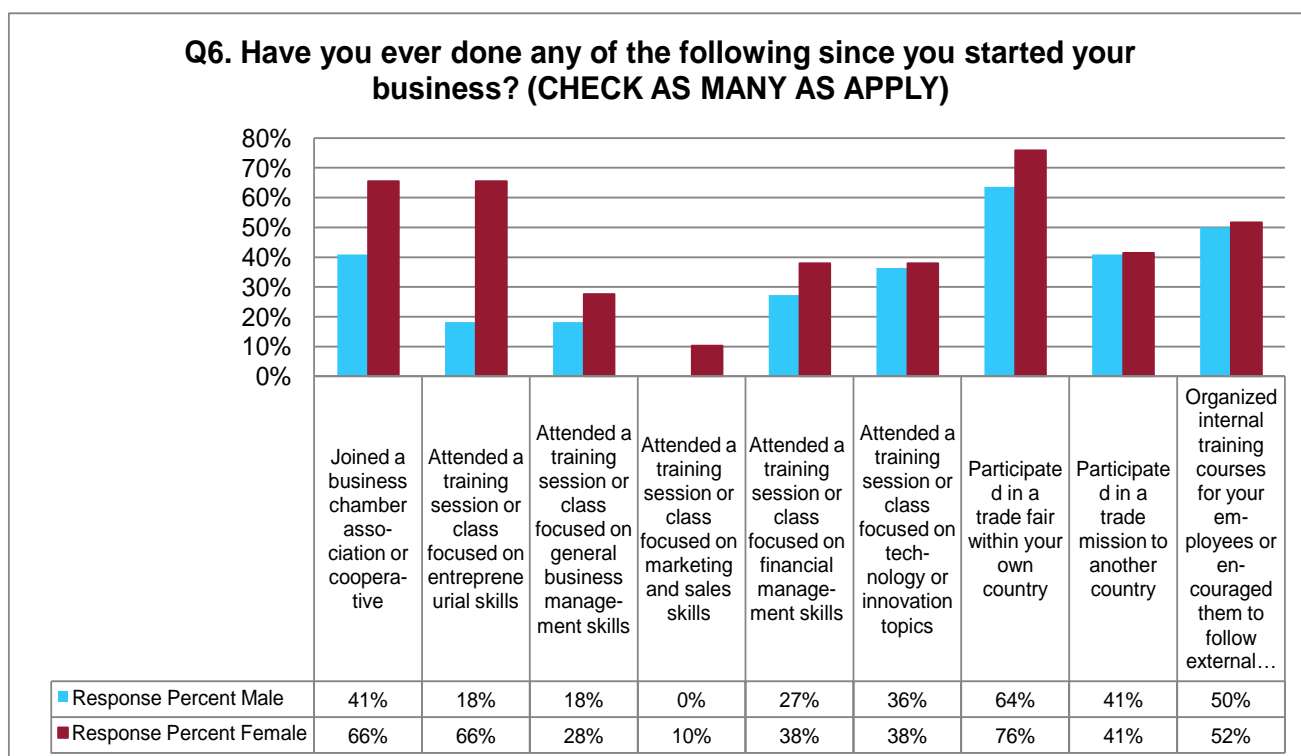
Growth strategy

To increase their enterprise and then sell or go public is what female entrepreneurs taking part in this study (29% W) seem to dream of, to much larger extent than men do (17% M).



Networking and training

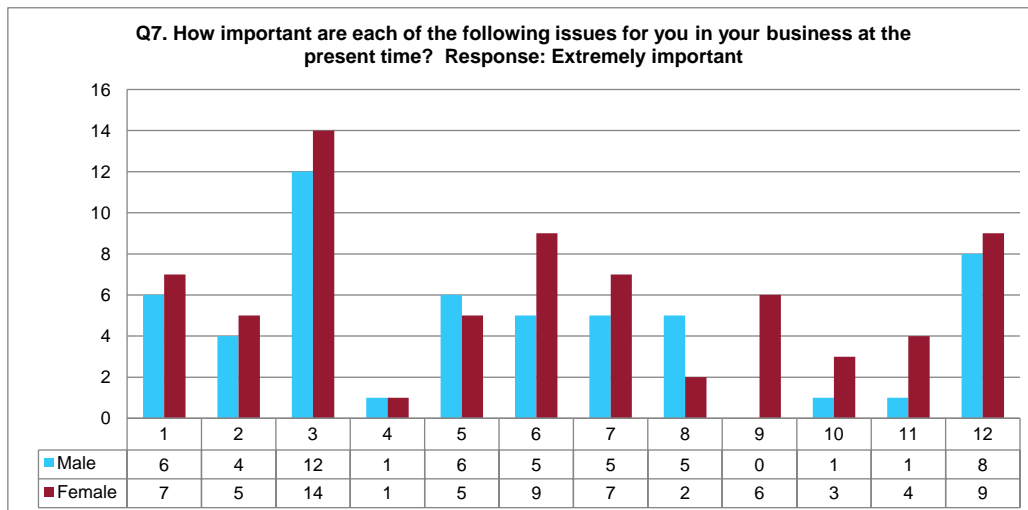
A common perception is that women are more interested in taking part in social activities. The respondents of this questionnaire seem to answer to that perception. The female entrepreneurs have been more active in business chambers as well as taking part in training sessions. The very high figure for taking part in training sessions, focused on entrepreneurial skills (66% W) can possibly be explained by the fact that a large number of promotion activities have been offered (carried out by national and regional government as well as private networks) women.



1.3 Access to external supports and competitive inputs

Extremely important issues

Both male and female entrepreneurs taking part in this study consider finding and keeping qualified employees as the most important issue (M 12% and W 14%).

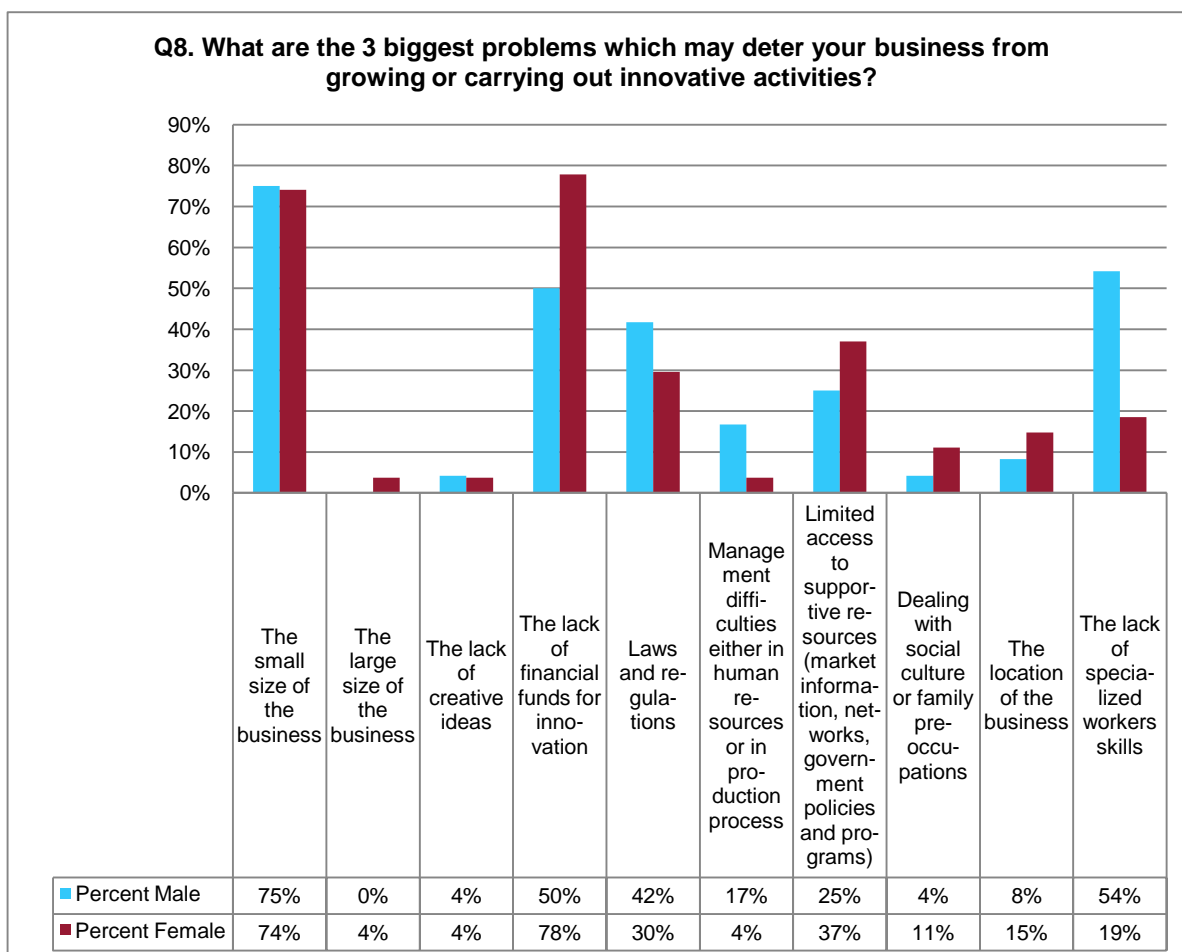


Issues

- 1 Access to capital for current business needs
- 2 Access to capital for longer-term capital investment and growth
- 3 Finding and keeping qualified employees
- 4 Access to training and technical assistance to learn business and financial management skills
- 5 Keeping up with the latest technology (Gaining access to technology for my business)
- 6 Access to specialized suppliers for staying ahead of the competition
- 7 Reforming laws and regulations that hamper business growth
- 8 Eliminating corruption among government officials/Need for payoffs, bribes
- 9 Diminishing high cost of public services (water, electricity, telecommunications)
- 10 Access to property, land, business premises
- 11 Learning more about gaining access to new markets for business expansion
- 12 Dealing with social and cultural issues/Being taken seriously as a business owner

What deters your business from growing?

For female entrepreneurs taking part in this study lack of financial funds is what deters their business from growing (78% W). This issue is also important for men but not to the same extent (50% M). For both men and women being a small business is a hinder (75% M and 74% W). For men lack of specialized workers is also a problem (54% M).



1.4 Entrepreneurial competencies

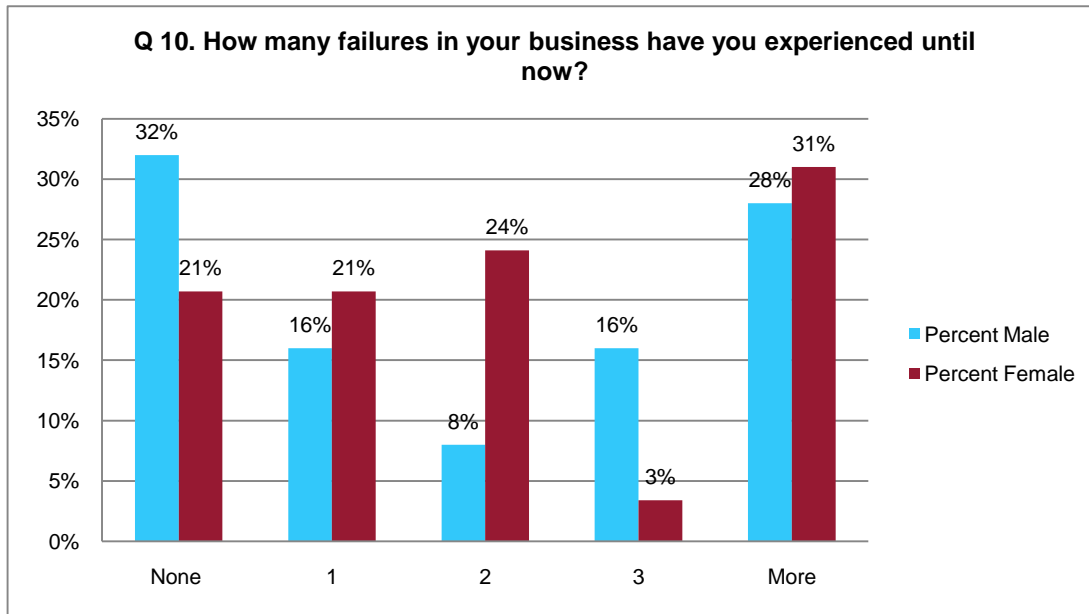
Consequences of economic countdown

It is a general perception that the economic downturn has not affected Sweden particularly gravely. This should explain why some have not suffered at all (0% M). In view of that a large number of the group we study is working with export markets, some of the respondents have seen that situation as an opportunity (52% M).

Q9. What is your business situation as a consequence of the present economic downturn?		
	Response % Male	Response % Female
Answer Options		
My business has suffered and we are still experiencing difficulties	0%	10%
My business has suffered, but I am managing to improve the situation by looking for new markets, innovative products or processes	20%	24%
My business has suffered, but I am managing to improve the situation by doing some organizational restructuring efficiency	20%	24%
My business has not suffered, because we were able to forecast the situation and take measures to maintain our revenues	8%	3%
My business is viewing it as an opportunity, since we have products or processes adapted to an economic downturn	52%	38%

Failures

Sooner or later all entrepreneurs experience failures and so did the group who took part in this study although there seems to be a larger number of concerned female entrepreneurs than male. Of the male entrepreneurs, about one third (32% M) reported no failures, while about one fifth (21% W) of the women reported no failures.



Overcoming failures

Both men and women who took part in the study appreciate “hard work” as a factor that helped to overcome the failures (44% M and 48% W). Men seem to appreciate own “self confidence” more than women do (30% M and 14% W), whereas women appreciate support from their families (14% W compared to 9% M).

1.5 Innovation and creativity

Meaning of innovation

The wider definition of the word “innovation” that has come into usage⁹ is used by the entrepreneurs who took part in the survey. The female entrepreneurs have a slightly different perception of the word innovation because they focused on introducing or developing new products or services (90% W), whereas men focused more on new technologies or processes (40% M).

Q 15. What does the word “innovation” mean to you in the context of your business? (Check as many as apply!)		
Answer Options	Response % Male	Response % Female
Investing in new technologies or processes	40%	35%
Introducing or developing new products or services	68%	90%
Introducing a new method of production	44%	41%
Entering a new market	16%	28%
Introducing changes in the practice of organizational or management behavior	20%	48%
Introducing changes in marketing process	28%	35%
Recognizing the value of new, external information, and applying it to commercial ends	24%	31%
Exploiting the opportunities provided by new knowledge and ideas that are not fully commercialized by existing firms	40%	48%
High level of risk taking	4%	7%

Implementation

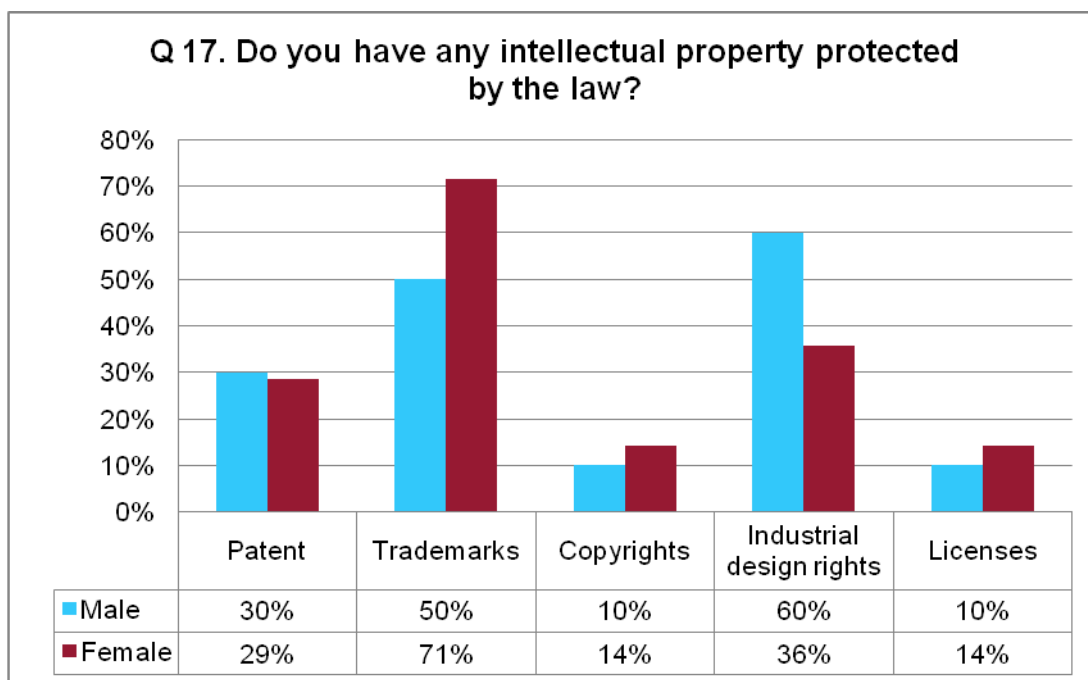
Female entrepreneurs had implemented new or significantly improved products or services (86% W compared to 68% M). Men were more focused on new marketing processes (44% M compared to 28% W).

Q 16. Has your company implemented any of the following innovations in the past three years?		
Answer Options	Response % Male	Response % Female
New or significantly improved product or service	68%	86%
New or significantly improved production or delivery process	40%	21%
New business practices	12%	14%
New marketing practices	44%	28%

⁹ The minimum requirement for an innovation is that **the product, process, marketing method or organisational method** must be new (or significantly improved) to the firm. Source: OECD, Eurostat. (2005). The Oslo Manual: Guidelines for Collecting and Interpreting Innovation Data. 3rd edition. http://www.oecd.org/document/23/0,3343,en_2649_34541_35595607_1_1_1_1,00.html

Intellectual Property Rights

Female entrepreneurs have used trademarks (71% W) while male entrepreneurs have used industrial design rights (60% M). The data reflect the type of business that male and female taking part in the study work with (male are more often involved in industrial industries and women more in services).



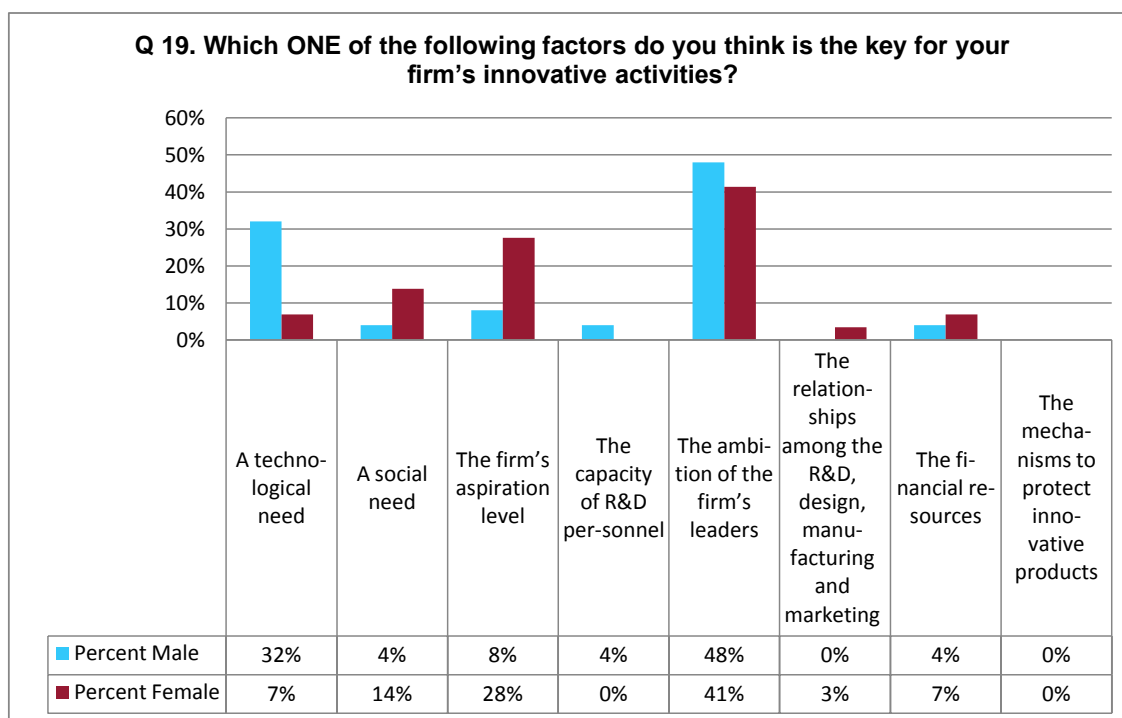
Usage of licenses

For most entrepreneurs taking part in this study, IPR is not a relevant question.

Q 18. Does your firm utilize licenses to protect your intellectual property rights (IPR)?		
Answer Options	Response % Male	Response % Female
Yes, we use traditional IPR licenses	12%	7%
No, our strategy is to use Open Source Software Licenses (OSS) and employ business models for OSS	4%	3%
No it is not relevant for us	76%	79%
I don't know	8%	10%

The key to innovative activities

For male entrepreneurs taking part in this study the key to innovative activities is a technological need (32% M), while for women it is the firm's aspiration level (28% W).



Risk taker

A common perception is that women are less likely to take risks. The women in this study contradict that perception. No man admits that he enjoys taking risks whereas some women do (14% W).

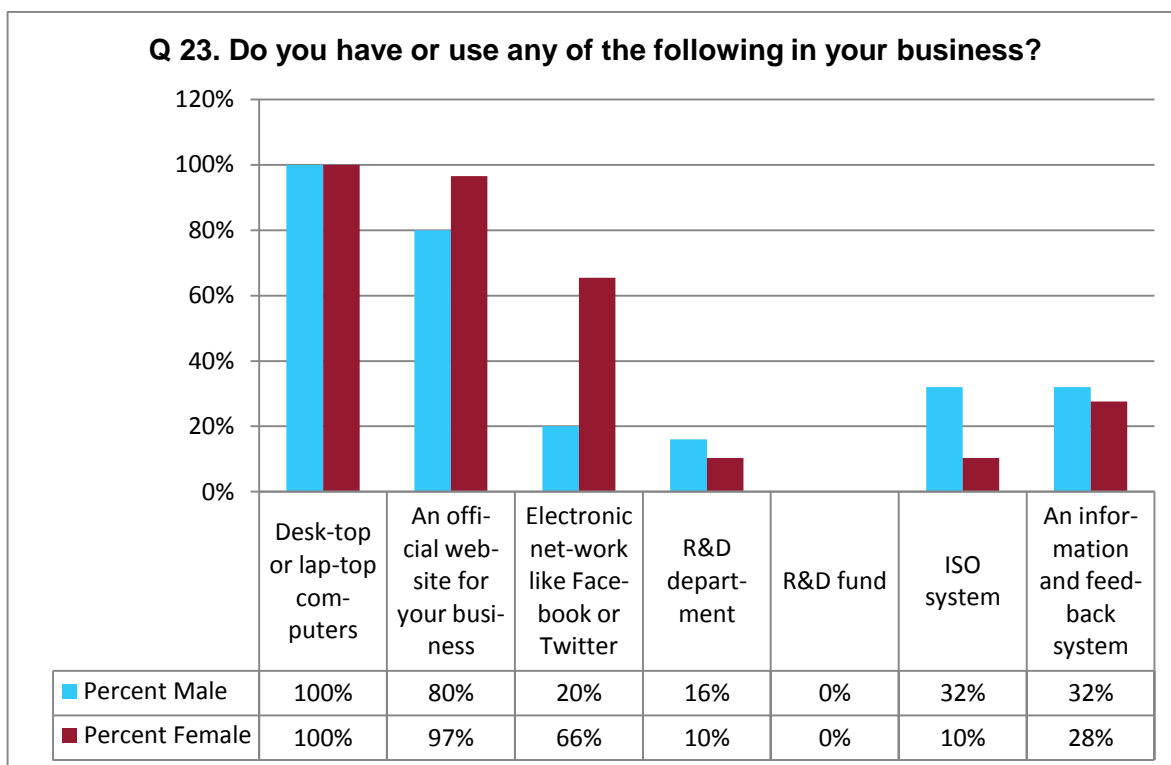
The data reflect what men and women taking part in the study answered on the questions on entrepreneurial motivation, where we saw that for women passion seems to be a driving force, whereas male entrepreneurs saw a need in the market. Women also stressed that they want to "become more independent, to do for myself what I had been doing for others". To make money appealed more to male entrepreneurs.

Q 22. Do you consider yourself a risk taker?		
Answer Options	Response % Male	Response % Female
Yes, I enjoy taking risks, even if the chance of success is not measurable	0%	14%
Yes, but I only take moderate and measurable risks	64%	48%
Yes, but I always make carefully calculations and prepare all possible back-ups to minimize the risks	20%	24%
Rather no, I hesitate taking risks	8%	10%
No, I only do things I am 100% objectively sure I will succeed	8%	3%

1.6 Innovative competences

Devices and services

Women entrepreneurs taking part in this survey use all ICT tools available (laptops, web sites, social networks and information feedback systems (100%, 66% and 28%) to a higher extent than men (100% M, 80% M, 20% M). The only tool men use more often is ISO systems (32% M compared to 10% W).



IPR

It seems like the entrepreneurs who took part in this investigation have a similar view on intellectual property rights (IPR), although women seem to undertake fewer actions to protect their business (52% W and 44% M).

Q 24. Which of the following, if any, have you undertaken to register or protect any intellectual property generated by your business?		
(CHECK AS MANY AS APPLY)		
Answer Options	Response % Male	Response % Female
Attended a class or other informational session on intellectual property protection	12%	21%
Registered or trademarked your company logo, tag-line or other business branding	32%	38%
Obtained a patent for a product or a process in your own country	12%	17%
Protected your product or process by registering it in another country	20%	21%
Written a letter or had to contact a competitor to cease and desist efforts to copy your firm's innovative activity or products	20%	17%
None of the above	44%	52%

Motivation for innovation

The women who took part in this investigation considers themselves as vision-led (69% W), market-led (79% W) and team-led (48% W) innovator. Men regard themselves as market-led (56% M) or technology-led innovator (52% M).

Q 25. Which of the following best describe(s) your motivation for innovative activities in your business so far?		
(CHECK AS MANY AS APPLY)		
Answer Options	Response % Male	Response % Female
Vision-led innovation: you have a sense of possibility about the way your business might be and you want to inspire people to change in the direction it leads	32%	69%
Market-led innovation: you have a sense of customer need. You are always in touch with your customers and anticipate their needs and respond quickly	56%	79%
Team-led innovation: you hold the philosophy of "changing ourselves to change our world". You try to create freedom within a guided cage	12%	48%
Future-led innovation: you have a deep and broad knowledge of current trends across business, science and culture. You want to make sure you maintain your market position and don't miss "the next big thing"	28%	38%
Technology-led innovation: you want to use technology to get ahead of your competitors. You have a deep understanding of the interaction of business and technology and want to identify new ways that technology can be applied to achieve more effective outcomes	52%	24%
Necessity-led innovation: you hold the view-point that some of the most ingenious innovation occurs in times of scarcity	24%	35%

Innovative competencies

Women entrepreneurs in this survey foster innovation in others (54% W) and create a culture of innovation (64%W). Men are less likely to foster innovation (36% M) or create a culture of innovation (32% M).

The data also reflect how men and women taking part in the study answered questions on entrepreneurial motivation, where we saw that for women passion seem to be a driving force, whereas male entrepreneurs saw a need in the market. Women also stressed that they want to become more independent to do for myself what I had been doing for others. The appeal of making money was more apparent in men.

Q 26. Which of the following behaviors/competencies have you been practicing or applying in your business?		
(CHECK AS MANY AS APPLY)		
Answer Options	Response % Male	Response % Female
Enhancing processes or products: you initiate continuous improvements and adapt quickly to change	76%	71%
Developing new approaches: you anticipate change and suggest implementation strategies, solutions to problems that have not been previously applied	52%	61%
Fostering innovation in others: you coach, guide, inspire and support your people in developing and implementing innovative ideas and approaches	36%	54%
Creating a culture of innovation: you create a climate that encourages innovation receptivity to change by gathering feedback from subordinates, co-workers and supervisors, publicly recognizing your employees or colleagues for their innovative ideas	32%	64%
Seeing the Big picture: you tend to piece together seemingly unrelated data to identify patterns and trends and to see a bigger picture of the situation	28%	32%
Risk-taking: you take personal responsibility for and be dedicated to projects that require innovation and you still support your employees when their ideas don't work	32%	25%

1.7 Need for policy support

What national leaders can do

Female entrepreneurs want changes in tax policies (55% W) and want to provide basic business skills training to new and prospective business owners (45% W). Male entrepreneurs want changes in employment laws to increase business flexibility for hiring and replacing staff (60% M).

Q 27. Here are some ways that national leaders could improve support for small businesses in your country.		
(CHECK THE THREE MOST IMPORTANT!)		
Answer Options	Response % Male	Response % Female
Reduce the amount of time it takes to register and start a new business	12%	24%
Reduce the amount of money it takes to register a new business	16%	24%
Provide basic business skills training to new and prospective business owners	28%	45%
Provide targeted business skills training for growth-oriented or innovative businesses	20%	31%
Establish a special government advisory board or panel for entrepreneurship and innovation	24%	35%
Change employment laws to increase business flexibility for hiring and replacing workers	60%	48%
Make it easier to register and transfer property ownership	20%	7%
Set up special loan or investment funds to spur innovation	20%	24%
Promote business ownership in general with more marketing and public awareness efforts	32%	21%
Increase efforts to safeguard intellectual property protection for innovative businesses	20%	14%
Align tax policies with the encouragement of new business formation and innovative activities	40%	55%

2. The qualitative interview

In this chapter we present the results from the qualitative interviews. For background information about the interviewed persons see chapter 4.3.

Reason for becoming an entrepreneur

The reason for becoming an entrepreneur is not always that a person has made a great invention. It is not uncommon in this study that women start their businesses because they are “fed up” with their present jobs, which they feel cause them too much stress and too little reward and they don’t have a clue or they just have a very vague idea what kind of business to start. This does not rule out that they will be successful. This path seems to be common among women who come from a middle management level. Another reason for becoming an entrepreneur is that women found a company that they can sell or go public with. This is a vital aim, expressed by both female and male entrepreneurs.

Some interviewed persons “appreciate the freedom” of not having to work at hours stated by others, which gives them flexibility to take care of their children and to work more at night.

Some women may have their own invention (patented or not) or a very well defined business idea that they want to launch. However, it is rare for them to have developed a technical innovation to launch. It seems as if women are more market- or organization-led innovators. This is due to the fact that the number of women who graduate from technical institutes is low in Sweden.

Money makes the world go round

Women entrepreneurs seem to have far more financial problems than men do. This is probably due to the fact that they have had lower salaries before they started as entrepreneurs, so they have not built up a capital base of their own. This follows them on their entrepreneurial path: growing slower, not hiring staff, etc. It is also in this group that “having to wait for payment from invoices” can create large problems.

Starting a small business means living on small means or being supported by your husband, wife or partner while the business is developed, which usually takes more than one year. Women express “guilt” for being supported and are afraid that their business is not taken seriously. But “to be supported” seems to be just as common among male entrepreneurs in the build-up phase, but not so often spoken about. They just admit that it was good to have a wife or a partner who had a steady job. Exceptions are those who inherited their companies or entrepreneurs on their second business venture, having already built and sold a company which led to a better capital base.

the results about “feeling guilt” can be understood from the perspective that in Swedish policies, adults are expected to earn their own income and have equal opportunities to participate in political processes. But results from some other studies, for example by Udén (2009)¹⁰, on Swedish Arctic Fisheries and Reindeerherding, show that “preconceptions regarding the family economy that is expressed in legislation is often not reflected at the household level”.

¹⁰ Udén, M Gender Equality and Governance in Arctic Swedish Fisheries and Reindeer Herding in Kaforowski, J (ed.) Gender, Culture and Northern Fisheries, CCI Press 2009, ISBN – 1 – 896445-46-5; ISSN 0068-0303.

Growth strategy

Women entrepreneurs' growth strategy is not only influenced by lack of financial resources but also by their planning horizon. They worry about having to take maternal leave. To build a company and to have to hold customers through the maternal leave seems to have influenced their entrepreneurial path. To be a "reliable partner" to their customers, they feel that they have to think ahead and plan their growth more modestly. Male entrepreneurs worry more about not being available to their families because their work takes so much time.

Social security

The Swedish social security makes no distinction between employees and owners of businesses when the entrepreneur has a limited company¹¹. With that perspective all, taking part in this study are counted as employees by social insurance.

Dealing with social security is a problem both for men and women, but with less financial "back-up" women entrepreneurs are more vulnerable. A common opinion is that the coordination between governmental agencies that want to encourage more entrepreneurs and the system for social security, could improve. Small entrepreneurs from time to time have to wait for payment on their invoices. In such periods the owners don't "get any salary". This is regarded as if they are out of business from social security authorities. And if they happen to fall ill during a period when they wait for payment and have not received any salary (or less than usual). The woman entrepreneur who stressed this feels that she is being unfairly treated and that her financial situation from a social security point of view should be reviewed on a yearly basis, since she after all pays taxes on her yearly salary.

Relationship tax – social benefits

Sweden has high taxes and high insurances and benefits in order to redistribute money to individuals in different stages of their life.

Parents in Sweden receive 480 days of parental leave per child with benefits equivalent of 80% of the annual income (up to 64,000 dollar in annual income) and less during 90 days.

The social security system is funded by employers' fee and by taxes. Employers in Sweden pay a fee to the government that corresponds to 33% of each employee's salary. This fee covers costs for pension, unemployment, sick leave, work injury, and parental benefits.

With the generous parental leave system in Sweden, it would be expected that women entrepreneurs would not see a need to realign tax policies as they benefit from them. But not all women defend the system and some interviewed women wanted to realign tax policy. Their businesses were generally very small, so one explanation would be that this was their only way to raise more money for their own salary. Another reason could be political.

Policy support

The interviewed persons generally agreed on one "Achilles heel": hiring and retaining personnel. It seems that this problem decreases with the size of the business. Women entrepreneurs who have already gone beyond micro level (five or more employees) seems to

¹¹ Laws for self-employed are slightly different.

feel more comfortable about hiring whereas this is a large issue for companies below that level.

Network

Some interviewed men have noticed that women are far more active in networking. They feel that male entrepreneurs have a lot to learn from women in this field. The available networks (traditionally dominated by men) don't give support they are more like "arenas for presentation of the size of the company and achievements", whereas women entrepreneurs networks are built on the idea of giving support.

Discrimination

Woman taking part in this study express that since they started their companies and became entrepreneurs they have not experienced discrimination due to sex. But they recall when they were employees!

Women entrepreneurs mention the positive feed-back they get as:

- More attention from customers
- Being remembered because she sticks out in a male environment (ICT industry)

One woman recalled being overlooked once, but she seemed merely amused by the incident.

Should it be interpreted that the women who took part in this study are exceptions, and that the situation is different for almost all other women in Sweden, as there is a very slow growth rate for women entrepreneurs? That is a possibility as we selected innovative entrepreneurial companies. So the experience the women who took part in this study may reflect this. This means that they are not gender blind: it is the segregated educational and labour market that affects the low recruitment to entrepreneurship.

The documented low recruitment of women to entrepreneurship in Sweden can be dependent on other factors than "discrimination". It is likely that many women in Sweden don't have the background to become an entrepreneur as their education is in health and education. In these sectors there is little demand for private services.

But although women may not be discriminated there is a risk for a vicious circle here. Lindberg (2010)¹² who studied Swedish innovation policy, found that mainly two types of industries have been funded for governmental support funds, "basic industry"¹³ including energy intensive industries such as steel and metal, and "high tech industries".¹⁴ Lindberg concluded that the prioritising that is done coincides with the pattern of gendered segregated labour market in Sweden".

The proportion of women who actually work with technology is in the conventional meaning low (see for example Statistics Sweden 2006). It is also important to remember that the right

¹² Lindberg, M (2010) Joint action for innovation – a participative and gender scientific challenge of innovation policy and innovation research, dissertation Luleå Tekniska Universitet.

¹³ Manufacturing of paper and paper products, chemical industry, mining and quarrying sectors, and manufacturing of motor vehicles.

¹⁴ ICT and biochemistry.

to attend higher technical education was long reserved for men. Today the situation is different.

“Mascot”

With the focus from authorities on development and growth of female businesses, some of the interviewed women have already gained a lot of attention in media. These women feel “guilty” about this attention. There is also a fear of becoming “media mascot” for the wrong reasons, i.e., for being a young attractive woman and not for being a serious and competent CEO.

3. Case studies - summary

The case studies are based on interviews with five female entrepreneurs working in different economic sectors and with their businesses located in different parts of Sweden. Financial data are from 2009. The cases are published in a separate annex.

5 Women Entrepreneurs					
Case	NACE	What the entrepreneur does	Location	Turnover	No employees
Mongara AB	J. Information and communication	ICT development and implementation (CMS, WEB2, Social network), training and coaching	Large city	465,000	3
Polarbröd AB	C. Manufacturing	Food industry - baking and distributing bread	In a smaller town or village	110 million	400
Middagsfrid AB	I. Accommodation and food service activities	Home service - preparing readymade baskets of food that are sold and transported to customers	Large city	10 million	13
AHA Lodge	I. Accommodation and food service activities	Arranging wilderness horseback tours	Rural area	>50,000	1½
Solvatten AB	E. Water supply; sewerage, waste management and remediation activities	Developing, producing and selling water cleaning units needed in the third world	Large city	>50,000	3

Main findings:

The five women entrepreneurs who took part in the case study work in different industries from ICT to manufacturing, accommodation and water supply. The reason for starting a business in a specific sector is that they have a professional background in that area, from academic studies (Mongara and Solvatten), inheritance of the business (Polarbröd), or knowledge of a component (husbandry), which could be used in the business (Aha Lodge). But it is also possible to start with an idea, no experience yet become successful (Middagsfrid), if you have a real passion. However, the more complicated the product or service is, the more need there is to be high-skilled through academic studies or experience (Solvatten and Mongara).



"I'm an atypical entrepreneur," I had no experience, and no one in my family was an entrepreneur.

Kristina Theander, CEO Middagsfrid AB

It is important to practice "self studies" and to be really persistent. The Swedish Patent Office is a "goldmine" for an industrial developer, it is completely free. It just demands that you have time (Solvatten).

Each of these five women has a specific business target and a different growth plan ranging from modest expansion to sales and marketing on the world market. In the long run they have different perspectives, from wanting to expand so they can sell the company to having a resort for life.



"To get a business profitable this far from airports, main roads and population centres, you really have to be innovative."

Viola Gaw, Manager AHA LODGE

More gradual business growth for women entrepreneurs is sometimes an effect of the "life puzzle," which includes taking parental leave and still having customers after that leave. Women with small children during the build-up phase therefore develop different growth strategies in order to survive (Mongara).

To have a mentor or a coach is of great help. All are positive of that experience. But they also recommend changing mentor/coach every now and then to get different opinions and to learn from professionals with different business experience.

Having an experienced board member can really be of help (Solvatten). A recommendation is to choose someone with experience from fields that the entrepreneur or developer doesn't have, such as industrial production (Solvatten).



“My motivation is empathy.”

Petra Wadström, CEO Solvatten AB

Those who had taken part in volunteer network or in other business associations praise the experience. But one interviewed person advised to check the aim of the network. If you want to run a business and you would like to get inspiration and support; don't join a network where most of the discussions are about creating “beautiful exits.” (Middagsfrid).

Women who started businesses have experienced financial problems. Women had fewer financial resources than their male colleagues as gender segregation in the labour market from their previous work affects pay levels in Sweden. They have less money saved when they start, which leads to slower growth and to taking fewer risks.

Growing organically means expanding the business by increasing overall customer base, increased output per customer or representative, new sales or any combination of them as opposed to mergers and acquisitions. Growing organically is when growth comes from a company's existing business, as opposed to growth that comes from buying new business. This type of growth is not always a realistic option, especially if the product or service demands an investment in physical objects and if the woman does not have own capital to invest (Solvatten and Aha Lodge).

There is a difference in demand for capital investment between developing a program or source code, when the only equipment used is a laptop (Mongara) or for that matter, a paper bag (Middagsfrid) and developing prototype that involves investment in actual production (Solvatten) or investment in buildings and animals (Aha Lodge).



There is no allowance for pause in growth. A SME can settle and be content with the number of customers they have, but in a company of Polarbröds´ size you need to reinvest all the time and investments have to pay-off with new customers. The technology drives reinvestments....

“A motto would be to give the employees inspiration to love change so they feel proud and alert but not proud and satisfied.”

Karin Bodin, CEO Polarbröd AB

On the other hand when the business is mainly built on human capital (Mongara) a lot of thought has to be put into how to recruit and keep staff.

Social security issues are a problem for micro companies and self-employed with “oscillating” revenue flows and small own-funding in the business. These entrepreneurs are more vulnerable than others (Mongara).



“I cannot go into a store and find that the store logistics is not working without seriously suggesting how to improve it. I think that all entrepreneurs have this personal “defect” in their character.”

Liselotte Norén, CEO Mongara AB

One entrepreneur stresses that women should not consider their business a hobby. It is not a good strategy if you want to be taken seriously (Mongara).

Overall no one of the five entrepreneurs feels that she has any negative experience from being a woman. On the contrary they have all been favoured with positive attention. And if they work in a male dominated industry such as ICT, they are easily remembered by the customer, which is positive.

D. TABULATIONS AND OBSERVATIONS OF THE RESULTS

1. Growth intentions

Can entrepreneurs' growth intention be explained by the level of innovativeness within their businesses and by their firms' actual growth?

The educational background of the owners of the business in this study influences the innovativeness level of their product or service. Generally the male entrepreneurs have a more technical background. The result coincides with data about educational background among the entire population in Sweden. As the number of women students in technical institutions (microelectronics, engineering physics and electrical engineering) at the technical universities in Sweden is very low, the number of women working in those sectors, and ready to start a business is low. So when the number of businesses in sectors which are considered as having a high level of innovativeness is checked for female leadership, the result is predictable. When the base for recruitment to a business is small on the labour market, it affects the number of persons who potentially can start a business in that sector.

This study shows that the technical innovativeness is higher among male owners than among female ones. But to be innovative is not always to be a "rocket scientist". In the study there is an example of a business that is very successful with a very simple product where there is little value added but package, good logistics and marketing. The entrepreneur in question is a woman who seems to have the best growth rate from start among all participants in this study.

The financial situation of the entrepreneur is influenced by the type of job the women and men had before they started their businesses and their possibilities to fund their investments. If women started from "scratch", they are bound to so have financial problems or to be forced to slow down their expansion plan. Women's financial situation is influenced by the fact that Sweden has gender segregation in the labour market which affects pay levels. On the average, women's pay is 16% lower than men's, and this has been a fact over the past few years, according to official labour force surveys¹⁵. So when women start their businesses they have fewer resources saved, which leads to slower growth and to taking fewer risks.

Growing organically means increasing the overall customer base, increased output per customer or representative, new sales, or any combination of growing with a company's existing business. This type of growth is not always a realistic option. When the product or service demands an investment in physical objects, raising capital is difficult. There is therefore a difference in demand for investment capital between entrepreneurs developing a program or source code which can be ever so inventive but where the only equipment used is a laptop and businesses that develop a prototype or a product that involves investment in production or in physical sites.

Women who are in the period of life when they have children say that their businesses have to grow more slowly than those of male entrepreneurs. When their "life puzzle" also includes taking parental leaves they want to make sure that their customers are still there after their leave.

The plan for business growth is also influenced by what the entrepreneur wants to do, whether modest expansion or marketing and sales on the world market.

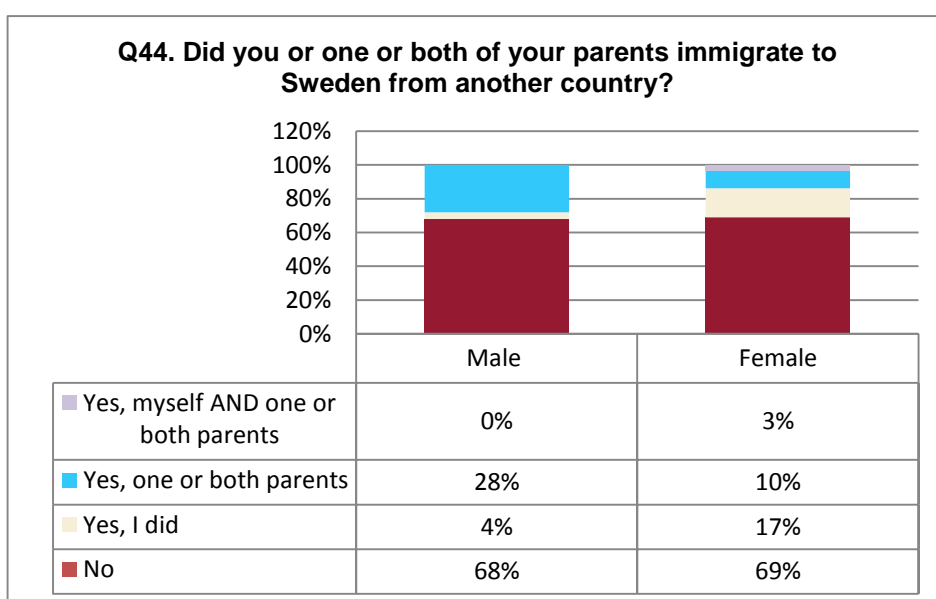
¹⁵ Government Communication 2008/09:198 "Gender equality in the labour market and the business sector", www.regeringen.se/integration

2. Personal characteristics

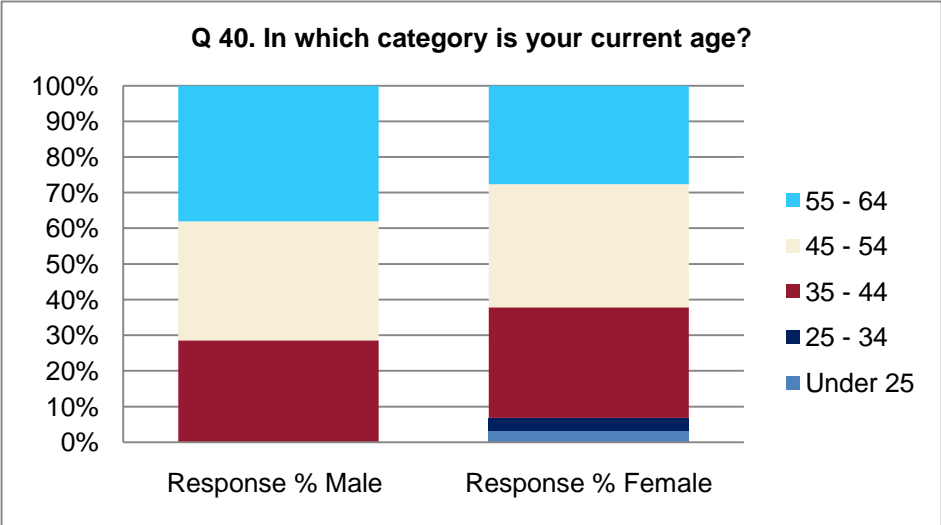
Entrepreneurial and innovative behaviour and perceptions of what “innovation” means – a comparison

A characteristic of the entrepreneurs in this study is that women in their entrepreneurial behaviour are more passionate, they want to fulfil a dream, realize a passion and become more independent and/or to do for themselves what they had been doing for others. Men are more business minded: fervid they want to fill a need that they see in the market for improvement of an existing product/service or they just want to make more money.

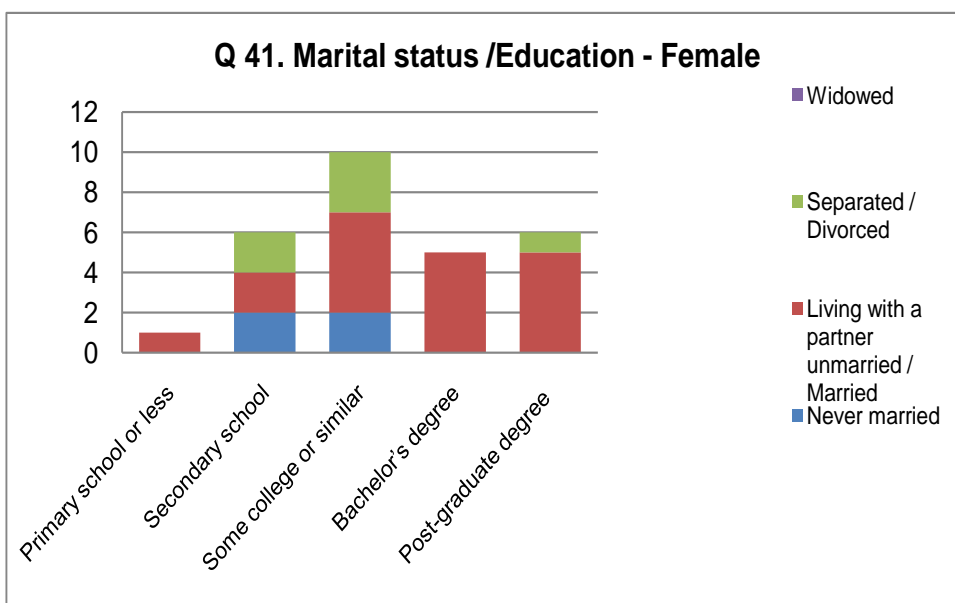
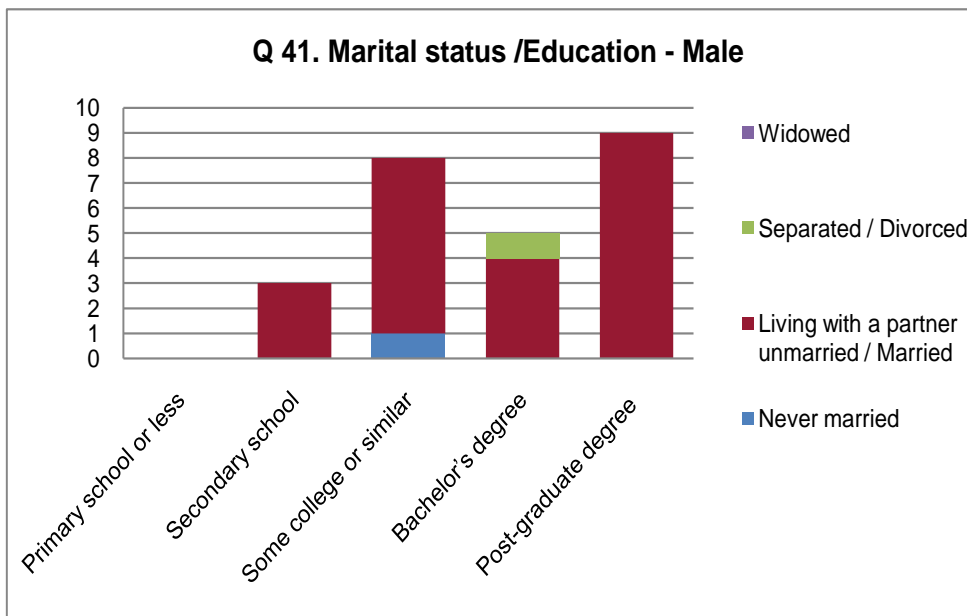
Among the entrepreneurs in this study more than 30% (M and W) were first or second generation Swedes.



There is little difference in age among those who took part in the study apart from the fact that in the youngest age cohort no enterprise owned by men is taking part.

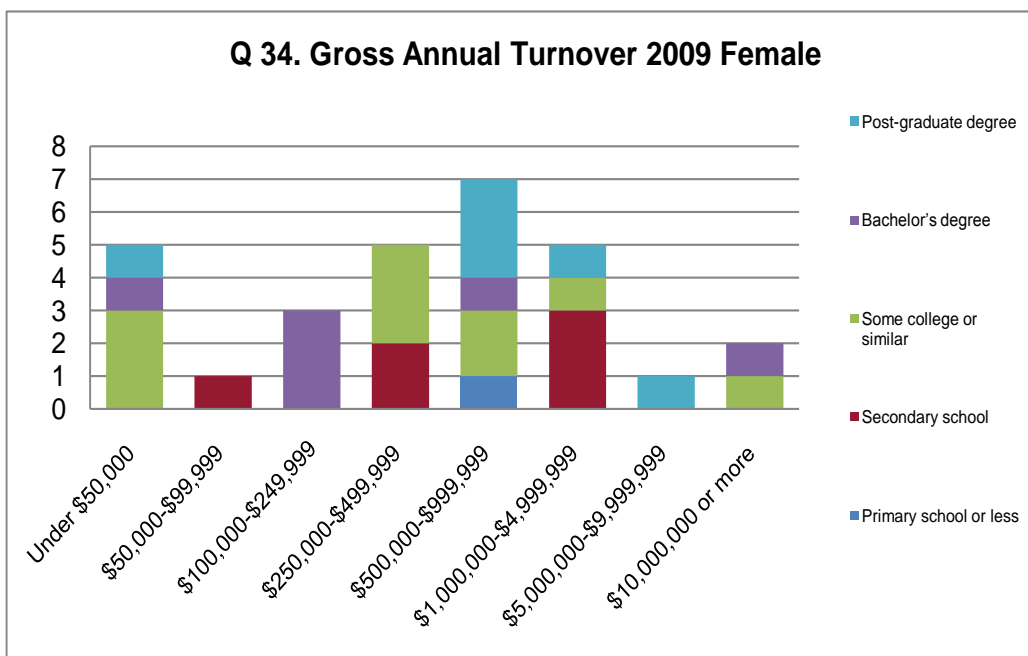
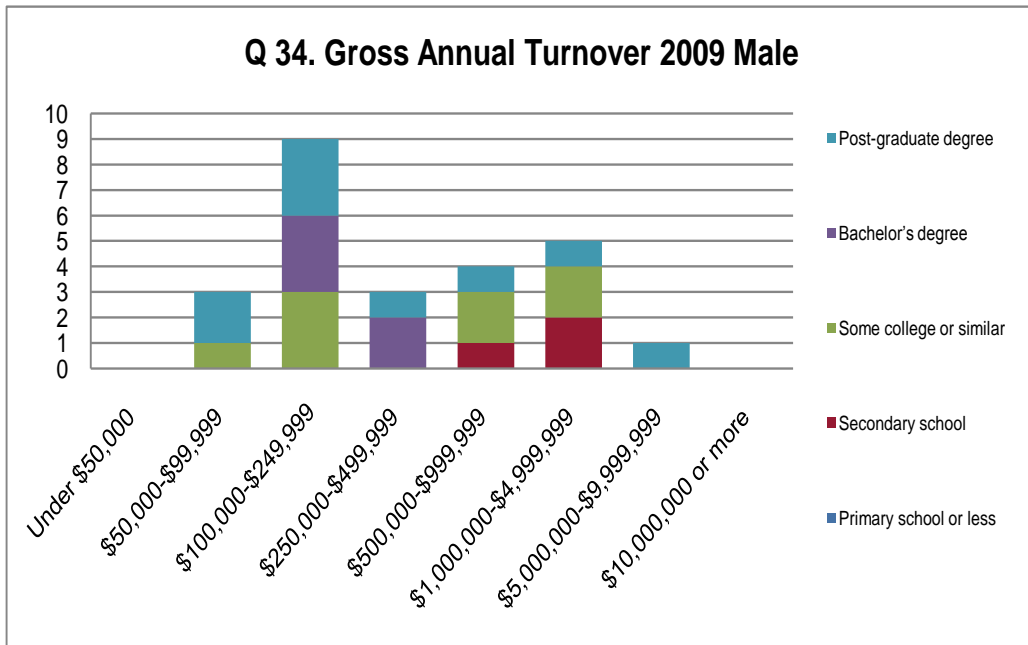


The educational level among men who took part in the study was higher than among women and the men's marital status or living arrangement was living with a partner or being married. Women had shorter education and were more often separated or divorced.



3. Women-owned firms' characteristics

Women who took part in this study on average had less education, but they had a higher turnover in their companies. This is due to the fact that one of the women's companies had an exceptional fast development. When not skewed by the single fast development, women have the smallest turnover, with five entrepreneurs having under US\$ 50,000 per year.

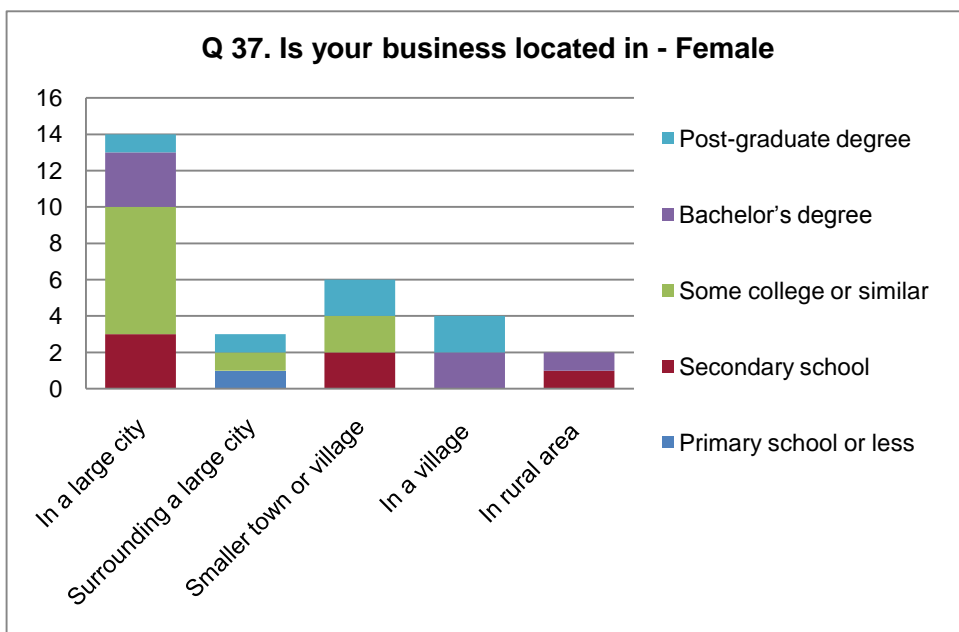
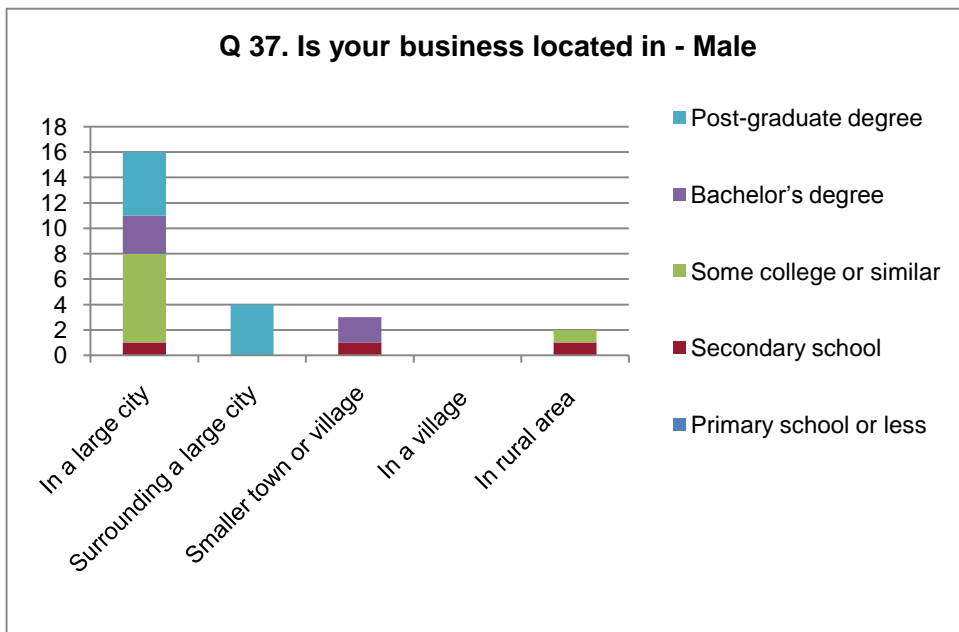


4. Innovative activity by location

One of the aims when the entrepreneurs were selected for this study was to get respondents from all over Sweden and so reflect the demographic pattern. This was achieved.

Data from the survey show that the support and the technical facilities are quite good all over Sweden. Even the entrepreneurs living in the most rural areas have their own web page and market themselves by a web page and by Facebook and Twitter. This reflects the facts that they had access to the internet and that they had competencies to use the infrastructure.

Business networks have been developed during recent years, often financed by the European Union and the national government. Support networks were appreciated by all those interviewed in the study. Some interviewed men noticed that women are far more active in networking, and they feel that male entrepreneurs have a lot to learn about such networking.



5. External support

To have a mentor or a coach is of great help. All entrepreneurs speak well of this experience. SMEs have been recommended to appoint an external board member. Some of the entrepreneurs in this study have followed this recommendation. This experience was of great help. A carefully selected board member can share experience from fields that the entrepreneur or developer does not have, such as industrial production or marketing.

6. Policy support

A shortlist on what special help women and men want:

- Provide basic business skills training to new and prospective business owners (45% W and 28% M).
- Change employment laws to increase business flexibility of hiring and replacing workers (60% M and 48% W).
- Align tax policies so as to encourage business formation and innovative activities (40% M and 55% W).

Women entrepreneurs want:

- Better social security for micro companies (up to five employees)Funding during the very early phase of development of a product and a prototype
- Development of the tourism industry in northern Sweden

Q 27. Here are some ways that national leaders could improve support for small businesses in your country.		
(CHECK THE THREE MOST IMPORTANT!)		
Answer Options	Response % Male	Response % Female
Reduce the amount of time it takes to register and start a new business	12%	24%
Reduce the amount of money it takes to register a new business	16%	24%
Provide basic business skills training to new and prospective business owners	28%	45%
Provide targeted business skills training for growth-oriented or innovative businesses	20%	31%
Establish a special government advisory board or panel for entrepreneurship and innovation	24%	35%
Change employment laws to increase business flexibility for hiring and replacing workers	60%	48%
Make it easier to register and transfer property ownership	20%	7%
Set up special loan or investment funds to spur innovation	20%	24%
Promote business ownership in general with more marketing and public awareness efforts	32%	21%
Increase efforts to safeguard intellectual property protection for innovative businesses	20%	14%
Align tax policies with the encouragement of new business formation and innovative activities	40%	55%

E. CONCLUSIONS

1. Main findings

The driving force for female entrepreneurs taking part in this study is **passion** or being **feed up** with their present job situation. It is not a desire to make money (but of course that aspect is there), more a desire to change the world. Some interviewed women point to motherhood as part of their identity and they are driven by empathy; Running a business and defining themselves as CEOs seem less important. Men who were questioned and interviewed were more interested in the aim of the business and in making money.

The **broader definition of the word “innovation”** is used by the entrepreneurs who took part in the survey. The female entrepreneurs are more focused on introducing or developing new products or services, whereas the men seem more focused on new technologies or processes.

The entrepreneur's background is important. The innovativeness level of their product or service is dependent on background in academia; you don't start a company in engineering physics or microelectronics if you don't have that background. From that perspective, the gender imbalance at the technical universities in Sweden follows into recruitment of entrepreneurs. However, to be innovative is not always to be a rocket scientist. As one example, a successful woman in this study started a business with a simple product with **little value added but packaged and distributed in an innovative way**. The entrepreneur in question has had the best growth rate since start among all taking part in this study. The other example is a company that is more than 100 years old, also producing a **quite simple product but packaged and distributed in an innovative way**. (This product has a much higher value added than the first example.) What we can learn from these examples is that successful entrepreneurs are not always dependent on technical innovation.

Female entrepreneurs have a more difficult **financial situation** than their male colleagues. What they did (and earned) before they started their business influences their possibility of funding their business. Women who start from “scratch” are bound to have experienced financial problems or, have had to slow down their expansion plan. The imbalance in academia and on the labour market influences this: With less money saved, women's companies have a slower growth rate and take fewer risks.

An extremely important issue for male entrepreneurs is finding and keeping qualified employees. Some of the women (with fewer than 5 employees) who were interviewed also noted this as a prime problem.

In some cases it is a hindrance for expansion and in other cases it is what the entrepreneur uses most of his/her time on. In Sweden a debate has been going on about the Employment Protection Act (LAS), some of the responses were engendered by that. But the interviewed were not primarily referring to LAS but to the management side of the problem: to actually find young people with good grades from universities and then introduce them to the business and keep them when pay-back time comes. We also had responses on this issue who stated that LAS is no problem at all, so the results are somewhat contradictory.

Growing organically¹⁶ (on what the company actually earns) is not always a realistic option, especially if the product or service demands investment in physical objects and if a women

¹⁶ Organic growth comes from a company's existing business, as opposed to growth that comes from buying new business. http://en.wikipedia.org/wiki/Organic_growth.

has no own capital to invest. There is also a difference in demand for investment capital between entrepreneurs developing a program or source code which can be ever so inventive but where the only equipment that is used is a laptop and those who develop a prototype or a service that involves investment in actual production or a physical site.

A mirage for some female entrepreneurs is to **increase business and then sell or go public.**

Women who are in the life phase when they have children say that their companies have to grow more slowly than male entrepreneurs. When their “**life puzzle**” also includes taking parental leave, they want to assure that their customers are there after their leave. But here it looks as if the gender imbalance in Sweden has changed. A number of men point to the obstacle of “availability of time to combine work and family”, something that was not common a decade ago.

Networking is something that women are good at. At least that is what some of the interviewed men think. They felt that male entrepreneurs have a lot to learn from women in that field and that the available networks (traditionally dominated by men) don't give support but are more “arenas for presentation of size of the company and achievements”. Networks for women entrepreneurs are more built on giving support. But an overall comment was that networks are “a jungle”.

Women entrepreneurs use all ICT tools, services and devices available (laptops, web sites, social networks and information feedback systems) and more so than their male colleagues. A number of companies owned by male entrepreneurs did not have their own web page; they felt they were so well known in their field that there was no need for it, an attitude that few female entrepreneurs can afford. These results coincide with studies done in Sweden showing that there is no imbalance in usage of the internet between men and women.

The overall conclusion is that despite financial and other challenges that a female entrepreneur meets, she has no negative experience from being a woman entrepreneur. On the contrary women say that they have been favoured with positive attention. Those who work in the ICT industry, which is male dominated in Sweden conclude that they have an advantage in being a woman in that industry as they are more easily remembered by customers.

2. Policy recommendations

- There is a need to promote what the world “innovation” in a broader sense means; women especially are not aware of the definition and the importance of marketing and organizational innovation.
- Information about what background is needed to become an entrepreneur with a business of high innovative level should be available to young school pupils.
- More research is needed about innovation and the innovative levels in different industries
- The financial support that is available at early stages of the innovation process needs to be reviewed. It is sometimes unclear when and how the innovator can get public (or EC) funding.

- Social security for entrepreneurs needs to be improved. Especially micro business (with less than five employees) with oscillating revenue streams seems to be unfairly treated by the social security system in Sweden.
- The support “sector” in the form of networks for entrepreneurs and SMEs should be reviewed, i.e., both the support that is given by governmental agencies and the European Commission and voluntary support (business networks, etc., not funded by governments). To find the most useful network more easily would be of help to the entrepreneur (for instance on the “*starta eget*” portal). Network, with public funding (by Swedish government or by the European Commission) should not overlap. Where many networks are available, governments should impose a moratorium on more public networks.

In retrospect one of the interviewed in this study said – the most important thing is to “dare”. So that is the last policy recommendation!

F. ANNEXES

1. List of businesses surveyed and interviewed (delivered on request)

2. Case studies (see separate document)